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FBIS-EAS-95-167 CONTENTS *29 August 1995*

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NORTHEAST ASIA

Japan

Official Criticizes Kodak's Petition to USTR *[KYODO]* 1
JAL To Suspend Tokyo-Washington Flights *[KYODO]* 1
Ex-U.S. Servicemen Interviewed on Nuclear Arms *[KYODO]* 1
Tokyo Proposes New UN Development Strategy *[KYODO]* 2
Nosaka To Attend Women's Conference in Beijing *[KYODO]* 2
Project Set To Aid Women in Developing Nations *[KYODO]* 2
Talks With Russia Scheduled on Northern Issue *[MAINICHI SHIMBUN 27 Aug]* 3
Tokyo To Seek Asian Support for UNSC Seat *[KYODO]* 3
Cabinet Approves SDF Mission to Golan Heights *[KYODO]* 4
    'Text' of Agreement Published *[NIHON KEIZAI SHIMBUN 26 Aug]* 4
Joint Committee To Discuss Issues in Vienna *[KYODO]* 4
Murayama, Canada's Copps Discuss Nuclear Tests *[KYODO]* 5
Government Protests PRC Nuclear Testing 5
    Freezes Aid Grants to PRC *[Tokyo TV]* 5
    Debates Yen Loan Review *[KYODO]* 5
    Grant Cut Totals 8 Billion Yen *[ASAHI SHIMBUN NEWS CONFERENCE REPORT]* . 6
    Envoy To Visit PRC on Aid Cut *[KYODO]* 6
Tokyo Drafting New Partners for Progress Plan 6
    Seeks More Economic Cooperation *[KYODO]* 6
    Draft Plan Summarized *[YOMIURI SHIMBUN 26 Aug]* 7
Hashimoto Discusses Attending APEC Forum *[KYODO]* 7
Tokyo To Help Vietnam Draw Up Economic Policy *[ASAHI SHIMBUN 28 Aug]* 8
Murayama Orders Pump-Priming Package by 20 Sep *[KYODO]* 8
    Bad-loan Measures Excluded *[KYODO]* 9
EPA Report Reiterates Economic 'Standstill' *[KYODO]* 9
Cosmo 'Repeatedly' Warned of Irregularities *[KYODO]* 9
    Debts Total 440 Billion Yen *[KYODO]* 10
MOFA Budget Approval Tied to Action on PRC *[MAINICHI SHIMBUN 26 Aug]* 10
Further Reportage on FY96 Budget Request 11
    MITI Not Seeking YSX Costs *[KYODO]* 11
    MITI Seeks Y3.2 Billion for Region *[KYODO]* 11
    MOFA Requesting 768 Billion Yen *[KYODO]* 12
    EPA Seeks 4.7-Percent Increase *[KYODO]* 12
    MOE Requests 5.88 Trillion Yen *[KYODO]* 12
Murayama Asks Kono To Remain Foreign Minister *[KYODO]* 13
Hashimoto May Assume Deputy Premier's Post *[KYODO]* 13
LDP To Promote Presidential Race as Planned *[Tokyo TV]* 13
Hashimoto Hints at Kato as Secretary General *[MAINICHI SHIMBUN 22 Aug]* 13
Mitsubishi To Begin Concrete Business in PRC *[KYODO]* 14
Nomura To Help Foster SRV Companies *[KYODO]* 14
MITI To Help Develop Small Jet Engine *[NIHON KEIZAI SHIMBUN 24 Aug]* 14

North Korea

Daily Refutes South Unification Argument *[KCNA]* 15
South Groups Urge Fairness in Reporting *[KCNA]* 15
Literature on Kim Il-song Scattered in South *[KCNA]* 16
South Magazine Satirizes Kim Yong-sam *[KCNA]* 16
South Korean Students Visit to Pyongyang Viewed *[KCNA]* 17
Commentary Denounces South's Amnesty Measure *[KCNA]* 17
Students Welcome Hanchongnyon Group *[KCNA]* 17
PRC's Jiang Zemin on Developing Friendship *[KCNA]* 18
PRC Vice Minister of Culture Hosts Reception *[KCNA]* 19
Light Music Ensemble Performs in Beijing *[KCNA]* 19
Tianjin Performances Evoke 'Big Stir' *[KCNA]* 19
Kim Chong-il, Fidel Castro Exchange Greetings 20
    Kim Chong-il Sends Message *[KCNA]* 20
    Castro Sends Greetings *[KCNA]* 20
Banquet Marks Anniversary of Ties With Cuba *[Pyongyang Radio]* 20
Dailies Mark Anniversary of Ties With Cuba *[KCNA]* 21
Kim Yong-nam Meets Ambassadors From Abroad *[KCNA]* 22
Vice President Meets Egyptian Envoy *[KCNA]* 22
Friendship Gathering Includes Mongolian Group *[KCNA]* 22
Pakistani, Tajik Leaders Support Korean People *[KCNA]* 22
Canadian Communist Party Favors Justice Cause *[KCNA]* 23
Foreign Organizations' Officials Praise Youths *[KCNA]* 23
Daily Urges Holding Red Flag High *[Pyongyang Radio]* 23
Kim Chong-il on Servicewomen's Sea Training *[Pyongyang Radio]* 28
    'Guides' Sea Training *[KCNA]* 29
    Further on Sea Training *[KCNA]* 29
Kim Chong-il Said To Become WPK Head in Oct *[TOKYO SHIMBUN 27 Aug]* 30
Songs Extol Kim Il-song, Kim Chong-il *[KCNA]* 31
Kim Chong-il Thanks Officials, Working People *[KCNA]* 31
Kim Chong-il Thanks Hamhung Party Members *[KCNA]* 31
Kim Il-song's '10-Point Programme' Studied *[KCNA]* 31
Youths, Students Lay Flowers at Statues *[KCNA]* 32
'Young Vanguards' Pledge Loyalty at Square *[KCNA]* 32
Pak Song-chol at Youth Resolution Meeting *[Pyongyang Radio]* 33
University Graduate Volunteers for Mine Work *[Pyongyang Radio]* 33
Correction to People Volunteer for Rural Areas *[Pyongyang TV]* 33
KCNA Reports on Youth Day Observations 34
Rally Held To Mark Construction of New Dam *[Pyongyang Radio]* 34
Foreign Publications Carry Articles on North *[KCNA]* 35
Efforts To Increase Power Plant Output Noted *[Pyongyang Radio]* 35
Plant Increases Export Garments Production *[Pyongyang Radio]* 36

South Korea

Daily Criticizes U.S. 'Trade Offensive' *[MAEIL KYONGJE SINMUN 28 Aug]* 36
Vice Foreign Minister Meets U.S. Congressman *[YONHAP]* 37
North 'Connections' With U.S. Koreans Viewed *[CHUNGANG ILBO 23 Aug]* 37
Hyundai Firm Wins Contract With Citicorp *[THE KOREA TIMES 25 Aug]* 38
Defector on Nuclear Facilities in Chagang *[CHUNGANG ILBO 28 Aug]* 38
    More on Nuclear Facilities *[CHUNGANG ILBO 28 Aug]* 39
Kim Chong-u 'May Have Been Purged' *[CHUNGANG ILBO 27 Aug]* 39
North Anticorruption Campaign Said Under Way *[CHOSON ILBO 27 Aug]* 40
Government Resumes Rice Transport to North *[TONG-A ILBO 28 Aug]* 40
    Shipments Scheduled To End *[CHOSON ILBO 27 Aug]* 41
Heavy Rain Continues To Cause Damage in North *[Seoul Radio]* 41
North Reportedly Seeks Emergency Flood Relief *[Seoul Radio]* 41
Officials Visit North To Assess Flood Damage *[YONHAP]* 42
North Korean Environmental Situation Viewed *[TONG-A ILBO 27 Aug]* 42
Dutch Bank To Open Branch in Pyongyang *[KYONGHYANG SINMUN 26 Aug]* 43
Daewoo's Kim U-chung Visits PRC's Jiang Zemin *[YONHAP]* 43
PRC To Brief Official on UN Security Council *[YONHAP]* 43
Contract Signed for Trade Center in Moscow *[THE KOREA TIMES 25 Aug]* 44
Kong No-myong Meets With Peru's President *[YONHAP]* 44
Group To Grant Access to Foreign Advertisers *[THE KOREA TIMES 26 Aug]* 44
Draft 1996 Budget Shows 14.9-Percent Increase *[YONHAP]* 45
Paper Reviews Current Status of Party Politics *[THE KOREA HERALD 27 Aug]* 45
Firms Attempt To Stop Illegal Software Use *[THE KOREA TIMES 27 Aug]* 46

SOUTHEAST ASIA

Burma

Interview With Aung San Suu Kyi *[BurmaNet News]* 48
Khin Nyunt Receives Mon Leaders in Rangoon *[Rangoon Radio]* 51
Buddhist Defectors Rejoin Main Karen Army *[BANGKOK POST 26 Aug]* 52
ABSDF 'Press Release' on New Military Alliance *[BurmaNet News]* 52
Khun Sa Said To Name Ethnic Shan Party Head *[KYODO]* 53

Brunei, Malaysia & Singapore

Malaysia

Mahathir Condemns Response to Sarajevo Attack *[Kuala Lumpur International]* 53
Mahathir Comments on Bosnian Arms Embargo *[THE STAR 28 Aug]* 54
OIC Agrees To Meet on Bosnia 'Next Month' *[NEW SUNDAY TIMES 27 Aug]* 54
Mahathir: EAEC To Promote Open Regionalism *[Kuala Lumpur TV]* 55
Minister Opposes Australia, New Zealand in EAEC *[Kuala Lumpur International]* 55
Minister on 'Sensitive' Agricultural Products *[THE STAR 25 Aug]* 55
Exports of Wood Products Increasing *[BERITA HARIAN 12 Jul]* 56

Singapore

Investors Commit to Suzhou Industrial Project *[BUSINESS TIMES 28 Aug]* 56

Indonesia

Youth Jailed for Antigovernment Magazine *[THE JAKARTA POST 25 Aug]* 57
Exercise With New Zealand Air Force Begins *[ANTARA]* 57
Bank Governor on Signs of Economy Overheating *[MERDEKA 29 Aug]* 58
Habibie Discusses Strategic Industry Board *[GATRA 22 Jul]* 58
Financier Predicts Higher Jakarta Stock Index *[SUARA KARYA 17 Jul]* 59
Minister Cites Prevalence of Corruption *[KOMPAS 21 Jul]* 60

Philippines

Senate President Angara Accuses Ramos on Ouster *[Quezon City Radio-TV]* 61
Switzerland To Return Alleged Marcos Wealth *[Quezon City Radio-TV]* 61
Mindanao-Darwin Trade Accord Signed *[MALAYA 24 Aug]* 62

Thailand

Suphachai on Government Structure, U.S. Trade *[MATICHON 19 Jun]* 62
Chatchai Discusses Burma Policy *[THAN SETTHAKIT 28-30 Jun]* 63
Logging Trade With Khmer Rouge Examined *[MATICHON 19 Jun]* 64
Further Reaction to Army Radio Program 66
  Army Commander Reaffirms 'No Coup' *[Bangkok TV]* 66
  Editorial: Radio Comment 'Legitimate' *[MATICHON 28 Aug]* 66
  Criticism Said Aimed at Minister *[BANGKOK POST 29 Aug]* 67
Banhan Sets Term for Ceding Interior Post *[THE NATION 28 Aug]* 68
Banhan Cabinet Members Profiled *[MATICHON 19 Jul]* 69
Editorial Views Press Freedom in Cambodia *[THE NATION 28 Aug]* 75
New Body To Handle International Trade Matters *[THE NATION 29 Aug]* 75
Exporter Views Rice Price Trends, Sales *[THAN SETTHAKIT 28-30 Jun]* 76
Central Bank To Tighten Rules on Foreign Loans *[BANGKOK POST 28 Aug]* 77
Amnuai Adviser Discusses Finance Policies *[THAN SETTHAKIT 24-27 Jun]* 78
Impact of New ISO Industrial Standard Viewed *[BANGKOK POST 28 Aug]* 82
Editorial Assesses Telecommunications Concessions *[BUSINESS DAY 29 Aug]* 83

Vietnam

Gathering of Veterans of War Against U.S. Noted *[Hanoi Radio]* 83
CPV Central Committee Secretary Visits U.S. 84
  Trip Activities Outlined *[VNA]* 84
  Official's Comments Cited *[Hanoi International]* 84
Cambodian National Assembly Delegation Visits 84
  Meets Assembly Chairman *[VNA]* 84
  Delegation Concludes Visit *[VNA]* 85
Commentary Examines Mekong River Committee *[Hanoi International]* 85
WFP Director's 23-26 Aug Visit Outlined *[Hanoi Radio]* 85
Vo Van Kiet Receives FAO General Director *[VNA]* 86
Conclusion of Do Muoi Article on Foreign Affairs *[Hanoi Radio]* 86
President Grants Amnesty to 1,664 Prisoners *[VNA]* 87
Rice Prices in North Remain 'Stable' *[Hanoi International]* 87
Forum Reviews Public Security Activities *[SAIGON GIAN PHONG 23 Jun]* 87
Parliamentary Delegation Visits Laos *[VNA]* 88

Japan

Official Criticizes Kodak's Petition to USTR

OW2908132195 Tokyo KYODO in English 1254 GMT 29 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — A senior trade ministry official criticized Eastman Kodak Co. of the United States on Tuesday [29 August] for filing a petition with the U.S. Trade Representative Office (USTR) over its dispute with Fuji Photo Film Co. of Japan.

The official, who declined to be named, told reporters the case should be settled through the Fair Trade Commission or through direct talks between the two companies.

Eastman Kodak, in a petition filed with the USTR in May, claimed that anticompetitive activities by Fuji Photo Film hamper its inroads into the Japanese commercial film market.

JAL To Suspend Tokyo-Washington Flights

OW2908134795 Tokyo KYODO in English 1101 GMT 29 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — Japan Airlines (JAL) plans to suspend unprofitable flights between Tokyo and Washington from Dec. 3 and those connecting Tokyo and Munich from Nov. 6, JAL officials said.

JAL currently has two flights a week between Tokyo and Washington and a weekly flight between Tokyo and Munich.

The company is also considering reducing the number of flights between Fukuoka and Pusan in South Korea from three to two a week.

JAL plans instead to increase flights on 12 routes, such as Sapporo-Honolulu, Osaka-London and Hiroshima-Seoul, according to the officials.

The airline is also to inaugurate Fukuoka-Bangkok and Fukuoka- Auckland flights.

JAL will apply in late September for Transport Ministry approval of its new flight plans for the latter half of the business year from October through March, the officials said.

Ex-U.S. Servicemen Interviewed on Nuclear Arms

OW2808125595 Tokyo KYODO in English 1227 GMT 28 Aug 95

[FBIS Transcribed Text] New York, Aug. 28 KYODO — The United States equipped its air bases in Japan with nuclear weapons in the late 1950s, three former U.S. Servicemen have said in interviews with KYODO NEWS SERVICE.

These are the first testimony that U.S. nuclear arms were deployed in Japan. Until now, there have only been occasional remarks by U.S. officials that U.S. vessels with nuclear arms called at Japanese ports.

The three former servicemen were with the U.S. Air Force from 1957 at the Kadena Base in Okinawa Prefecture, which was under U.S. occupation until 1972.

During their posting in Japan, they said they were dispatched to bases in Misawa, Aomori Prefecture in northern Japan, and Fukuoka in southwestern Japan, as part of a maintenance team checking on nuclear weapons designed to be carried by fighter planes.

Paul Carpenter, now a 56-year-old columnist for a newspaper in Pennsylvania, recently wrote in the paper about his experience as a military engineer working on nuclear weapons.

According to a written order kept by Carpenter, the three men were asked to go to the Misawa base for two months beginning around April 1957 to check a nuclear weapon.

When the Cuban missile crisis broke out in October 1962, Carpenter also said he was dispatched to a U.S. base in Kunsan, on the southwestern coast of South Korea, to prepare for the loading of a nuclear weapon onto a fighter plane.

Carpenter said he thought the bomb would be dropped on China. Later he engaged in maintenance work on hydrogen bombs in Okinawa.

The two other witnesses, who spoke on condition of anonymity, said they were sent to Misawa and to Fukuoka's Itazuke Air Base between 1957 and 1959 to check nuclear arms there. The Itazuke Air Base is currently used as Fukuoka airport.

Carpenter said nuclear weapons' core substances like plutonium and uranium were deployed at the two bases. But the other two said they were not deployed there.

They said that in the event of an emergency, key nuclear substances were designed to be carried from Iwojima Island, which was under U.S. occupation until 1968.

However, one of the two said he loaded a U.S. warplane with a nuclear weapon at the Misawa base around 1958 to prepare for a sortie after China shelled the Taiwan-occupied Quemoy and Matsu islands off the southeastern China province of Fujian.

The Japanese Foreign Ministry on Monday [28 August] refuted the testimony that nuclear arms were brought into the country, saying the United States had not told Japan it would do so.

After Tokyo and Washington renewed a bilateral security treaty in 1960, the two countries agreed they would hold discussions beforehand if the U.S. intended to make a major change in its armament for its forces stationed in Japan.

Japanese officials say the introduction of nuclear weapons is one of such cases for prior consultations. But no advance consultations concerning the deployment of nuclear arms have not been held so far.

Tokyo Proposes New UN Development Strategy

OW2708093195 Tokyo KYODO in English
0814 GMT 27 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 27 KYODO — Japan has proposed to the United Nations a new development strategy that calls for less advanced nations to cut military spending and set numerical targets in order to promote effective development, government officials said Sunday [27 August].

Japan demands developing countries reduce military spending so that domestic funds can be utilized for development and advanced nations continue making efforts to increase funds to be used for helping the development.

For more balanced development, Japan advocates setting numerical targets for per-capita gross national product, literacy rates, death rates among infants, and other social and economic indicators to be attained by 2010.

This is the first proposal of a systematic plan that the Japanese Government has ever proposed to the U.N., which has come in response to a request in May 1994 by UN Secretary General Butrus Butrus-Ghali in the "agenda for development."

In his agenda, Butrus-Ghali called for a new comprehensive approach to development and an international framework for putting it into action.

On Monday, a special UN task force on development issues will start discussing Japan's ideas on development together with a proposal made by a group of developing nations.

The task force will finalize discussions by Sept. 8 and will submit a report to this year's UN General Assembly session which opens Sept. 19.

The proposal consists of three parts — a new development strategy, efforts to secure funds for development, and reform of the UN system in economic and social fields.

In the proposal, Japan also recommends a comprehensive approach to generating money for aid to developing countries in which private trade and investment as well as official development assistance should be integrated.

Japan also proposes establishing a powerful executive body of some 15 UN members within the UN Economic and Social Council to enhance the council's functions.

The establishment of such a body is necessary to help strengthen ties with other international organizations, such as the International Monetary Fund and the World Bank.

To promote so-called "south-to-south" cooperation, in which advanced nations and relatively advanced developing nations jointly support less developed nations, Japan advocates the establishment of a new system in the UN development program.

Nosaka To Attend Women's Conference in Beijing

OW2908053395 Tokyo KYODO in English
0219 GMT 29 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — Chief Cabinet Secretary Koken Nosaka will head the Japanese Government delegation to a U.N.-sponsored women's conference in Beijing early next month, the Foreign Ministry said Tuesday [29 August].

Nosaka, 70, who is also in charge of women's issues, will lead the 38-member team to the conference to be held Sept. 4-15 in Beijing, the ministry said.

Nosaka had maintained that a woman should head the Japanese mission to the Beijing meeting.

The Japanese delegation includes 24 parliamentarians such as former chief of the Science and Technology Agency Makiko Tanaka and Yuriko Koike of the opposition Shinshinto (New Frontier Party).

Participants at the conference will discuss ways to improve the status of women.

U.S. first lady Hillary Clinton is expected to attend the conference as honorary chair of the U.S. delegation.

Project Set To Aid Women in Developing Nations

OW2508125695 Tokyo KYODO in English
1136 GMT 25 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 25 KYODO — Japan will announce a major project to assist women in developing countries at September's World Conference on Women in Beijing, government officials said Friday [25 August].

Tokyo plans to fund the project to help women in the fields of education, health, and economic and social activities as part of its official development assistance, the officials said.

The project is expected to cost more than 600 million yen a year.

Under the program, Japan will set numerical targets for the improvement of women's status, such as equalizing school attendance rates of girls and boys, and reduction in the death rates of pregnant women and infants, and extend financial aid based on recipient countries' achievement of the targets.

To promote women's economic activities, the project will also help in the establishment of organizations to give loans to small companies and farmers who cannot receive loans from existing financial institutions.

Japan's chief delegate to the conference will declare the plan, tentatively called the "women-in-development initiative," in a speech scheduled for Sept. 5, the officials said.

Talks With Russia Scheduled on Northern Issue

OW2808151595 Tokyo MAINICHI SHIMBUN in Japanese 27 Aug 95 Morning Edition p 3

[FBIS Translated Text] Although there have no conspicuous moves in relations between Japan and Russia recently, there are some signs of reactivation. The governments of Japan and Russia will hold the third round of governmental talks on safe fishing operations by Japanese fishing boats in waters off the Northern Territories [the Kurils] in Tokyo for two days from 30 to 31 August. The two governments will hold working-level talks on drawing up a peace treaty between Japan and Russia in Moscow on 9 September, and the Trade and Economic Intergovernmental Committee will hold the first round of its meeting in Moscow this autumn. Yohei Kono, deputy prime minister and foreign minister, is also likely to visit Russia this year.

Japanese fishing boats operating in waters off the Northern Territories have frequently been captured by patrol boats of Russian border guard units. For that reason, Japan and Russia agreed to hold governmental talks on safe fishing operations when Russian Deputy Premier Soskovets visited Japan last November. The governmental talks were held twice, in March and May this year, but no headway was made. Both Japan and Russia agreed to hold governmental talks on safe fishing separately from talks on the return of the Northern Territories to Japan. The two countries, however, have both claimed the waters as their territorial waters and have had confrontations over jurisdiction in cracking down on poaching. The talks on safe fishing operations are expected to run into rough sailing.

The most important item on the agenda of the working-level talks on a Russian-Japanese peace treaty is how to describe the reversion of the Northern Territories in the peace treaty, the conclusion of which has been hoped by both Japan and Russia. A Foreign Ministry source says, "The working-level talks are de facto talks on the return of the Northern Territories to Japan."

This schedule for a series of governmental talks was set at the Japan-Russia foreign ministerial talks held in Brunei, when Russian Foreign Minister Kozyrev invited Foreign Minister Kono to visit Russia this year. In response, Foreign Minister Kono showed his eagerness to visit Russia, saying, "This time, it is my turn to visit Russia." The Foreign Ministry plans to decide on a schedule for the foreign minister to visit Russia while watching progress in the series of bilateral talks between Japan and Russia.

Tokyo To Seek Asian Support for UNSC Seat

OW2808131695 Tokyo KYODO in English 1016 GMT 28 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 28 KYODO — Japan will soon accelerate efforts to gain Asia's support in the 1996 election for a nonpermanent member seat on the UN Security Council, government sources said Monday [28 August].

The sources said Japan plans to use the occasion of the General Assembly that opens Sept. 19 to approach Asian nations on the issue.

Japan thinks securing a nonpermanent seat as a UN Security Council member is a necessary step in order to eventually fulfill its goal of becoming a permanent council member, the sources said.

At the General Assembly last year, the world body agreed to increase the number of permanent members from the present five — Britain, China, France, Russia and the United States, but the talks over how to select candidates have been rough going.

Japan announced its candidacy in February for a position as one of the new five nonpermanent council members for a two-year term from 1997 to 1998.

Prime Minister Tomiichi Murayama, in his weeklong visit to the Middle East starting Sept. 12, will attempt to gain the support of Saudi Arabia and Syria, the government sources said.

Japan has been elected as the Asian region's nonpermanent member on the UN Security Council seven times, tying only Brazil in winning a nonpermanent seat so many times.

In its most recent term, Japan served as a nonpermanent council member from 1992 to 1993.

Of the 10 nonpermanent seats, two seats are allotted to Asia, and a new nonpermanent member nation takes one of the two seats on alternate years.

In this year's General Assembly meeting, South Korea is likely to be elected as a new nonpermanent member.

Both Japan and India have announced candidacies for the seat chosen next year. The Philippines also announced its candidacy but has since withdrawn it.

Because Islamic nations are taking wait-and-see approach toward the 1996 election, the Japanese Government will urge Asian nations to support Tokyo during talks in the United Nations and bilateral summit meetings, the sources said.

Cabinet Approves SDF Mission to Golan Heights

OW2908053495 Tokyo KYODO in English
0223 GMT 29 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — The Japanese Government formally decided Tuesday [29 August] to send Self-Defense Forces (SDF) personnel to take part in UN peacekeeping operations in the Golan Heights next February.

The decision was made at the day's cabinet meeting following a decision by Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) last Friday to drop its opposition to sending SDF personnel to the Israeli-occupied highlands in southwestern Syria.

The mission will be Japan's fourth contribution to UN peacekeeping and refugee aid programs since 1992, after missions to Cambodia, Mozambique and Zaire camps for Rwandan refugees.

The Japanese SDF troops will replace a Canadian transport unit, part of the Syria-based UN disengagement observer force (UNDOF) charged with transport of food and other logistical support.

The tripartite ruling coalition had failed to reach consensus on sending SDF personnel to the Golan Heights, as requested by the United Nations, because of strong opposition from the SDP, which together with the Liberal Democratic Party and New Party Sakigake forms the coalition.

The SDP opposed the Golan Heights mission on the grounds that it could violate the nation's 1992 peacekeeping operation law, which prohibits Japanese SDF personnel from being used in combat roles.

The SDP dropped its opposition on condition that the SDF troops do not engage in transportation of weapons, ammunition or armed soldiers of other nations.

A senior government official has said there would be no need for the SDP troops to carry firearms other than pistols for self-protection.

The Defense Agency is scheduled to send a fact-finding mission to the Golan Heights in October in preparation for sending the SDF troops.

'Text' of Agreement Published

OW2708160795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Aug 95 Morning Edition p 3

[FBIS Translated Text] The following is the text of an "agreement on Japan's participation in the UN Disengagement Observer Force (UNDOF)" reached among the coalition parties on 25 August:

1. The Japanese contingent should not engage in transport duties to carry weapons, ammunition, and troops of foreign forces on a regular basis;

2. The Japanese Mission to the United Nations should reconfirm with the United Nations in written documents Japan's "five principles on UN peacekeeping roles," which include limitations on the use of arms and discretion on the withdrawal of personnel;

3. The Japanese peacekeepers should not join multinational maneuvers which may be in contravention of the Japanese standard on the use of arms;

4. As a tentative goal, the duration of the mission will be not more than two years;

5. The ban on Japan's participation in the UN peacekeeping forces (PKF) should not be lifted for the time being; and

6. The coalition parties should discuss and work out a comprehensive standard for Japan's roles in UN peacekeeping operations.

Joint Committee To Discuss Issues in Vienna

OW2508114595 Tokyo KYODO in English
1116 GMT 25 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 25 KYODO — Japanese and Austrian officials will hold a committee meeting Monday in Vienna on ways to promote bilateral relations, the Foreign Ministry said Friday [25 August].

The Japanese-Austrian Committee for the 21st Century, which is meeting for the second time, includes Japanese Ambassador to Austria Tsuyoshi Kurokawa and Reijiro Hattori, chairman of Seiko Corp., the ministry said.

The Austrian team includes State Secretary for Foreign Affairs Benita Ferrero-Waldner and Gerhart Bruckmann, a professor at Vienna University and former member of the National Council.

The participants are expected to assess current and future bilateral relations, Austria's ties with Asia, and Japan's relations with European countries, the ministry said.

The committee was set up in 1990 at the proposal of then Foreign Minister Taro Nakayama to strengthen relations and enhance interchanges in various fields. The first meeting was held in Tokyo in March 1994.

Following the meeting, a symposium will be held Tuesday and Wednesday in Vienna to discuss new management philosophies as well as cross-cultural and ecological management, the ministry said.

Murayama, Canada's Copps Discuss Nuclear Tests

OW2908091795 Tokyo KYODO in English 0628 GMT 29 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — Prime Minister Tomiichi Murayama on Tuesday [29 August] reiterated his opposition to nuclear tests and urged the abolition of all nuclear weapons, a Foreign Ministry official said.

Murayama made the appeal in a meeting at his official residence with visiting Canadian Deputy Prime Minister Sheila Copps.

While Copps expressed concern about the imminent resumption of French nuclear testing in the South Pacific, Murayama said Japan has consistently opposed such testing by any country, the official said.

The Japanese leader also pointed to the need for Japan and Canada to cooperate in helping to abolish all nuclear arsenals to save earth from nuclear pollution, the official said.

Copps, who doubles as environment minister, was quoted as saying France's planned nuclear tests will badly affect the planet's environment.

She arrived in Japan on Aug. 21 and will leave for Canada on Saturday.

Government Protests PRC Nuclear Testing

Freezes Aid Grants to PRC

OW2808061795 Tokyo NHK General Television Network in Japanese 0300 GMT 28 Aug 95

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] In order to clearly show its stand protesting China's nuclear testing despite Japan's repeated requests, the Japanese Government has decided to freeze this fiscal year's grant-in-aid to the PRC other than aid for some humanitarian and emergency programs.

Despite Japan's repeated request, China conducted a nuclear test on 17 August on the heels of the previous one held in May of this year. Because of this, the government has been studying in a concrete manner a plan to significantly trim this year's grant-in-aid to the PRC — 7.8 billion yen in fiscal 1994. As a result, the government has decided to freeze the grant-in-aid for fiscal 1995, aside from some humanitarian and emergency programs. It says that it is difficult to gain the people's consent for giving taxpayers' money to China, a country that repeatedly carries out nuclear tests.

The three ruling parties had asked the government to freeze all grant-in-aid to the PRC. From a humanitarian viewpoint, however, the government decided to continue aid for programs such as those fighting polio.

Regarding yen-based loans, the government plans to grant them as scheduled. It will not touch them because, in addition to the political pledge already made, there would be a negative impact on long-term Sino-Japanese relations.

After coordinating views with the ruling parties this afternoon, the government will make a final decision on the issue and inform the Chinese Government of its policy. At the same time, the government plans to strongly ask China not to carry out further nuclear tests.

Debates Yen Loan Review

OW2908115695 Tokyo KYODO in English 1141 GMT 29 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — The three ruling coalition parties failed Tuesday [29 August] to agree on a proposed review of low-interest official loans to China, effectively limiting Japan's protest against Beijing's nuclear tests to a freeze on grant aid.

Foreign policy planners of the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake decided to base their handling of yen credits on China's future actions, including whether Beijing will conduct further nuclear tests, coalition officials said.

The officials related the outcome of the discussions to Chief Cabinet Secretary Koken Nosaka.

Vice Foreign Minister Sadayuki Hayashi will notify Chinese Ambassador to Japan Xu Dunxin on Wednesday morning of the decision to freeze grants-in-aid, government officials said.

Nosaka told reporters Japan will not tell China anything about discussions on yen loans for the sake of "friendship between Japan and China, and peace and stability in Asia."

But before the official notification, Beijing already reacted harshly to the aid freeze later Tuesday, with a Chinese Foreign Ministry spokesman calling it "highly detrimental" to bilateral relations.

Earlier in the day, the government decided during an informal cabinet meeting to freeze most grant aid to China in protest at Beijing's nuclear tests, carried out earlier this month and in May.

The decision does not affect humanitarian aid such as disaster relief and assistance in medical projects, government officials said.

This will reduce the total of grant aid to China this fiscal year to about 500 million yen from 7.8 billion yen in fiscal 1994, ended last March, according to the Foreign Ministry.

Shortly after the nuclear test in May, Japan slightly reduced its grants to China.

Grant aid is designed to finance specific programs annually while official loans are offered on a long-term basis to fund various development projects.

Grant Cut Totals 8 Billion Yen

*OW2908132595 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese
0617 GMT 29 Aug 95*

[News conference by Transport Minister Takeo Hiranuma with unidentified reporters at the Transport Ministry's conference room on the afternoon of 29 Aug]

[FBIS Translated Excerpt] [Passage omitted] At today's cabinet meeting, Foreign Minister Kono reported that Japan has made an issue of nuclear tests that China conducted in May and August, and other nuclear tests that France plans to conduct. Reporting to the cabinet meeting, the foreign minister went on to say that the government has decided to slash 8 billion yen in grant-in-aid set aside for China to approximately 400 million yen in an attempt to seek remorse from that country for the nuclear tests. The foreign minister also stated that Japan will continue to sternly protest to France over its plans to conduct nuclear tests, while maintaining relations with that country, adding that Japan would take a firm stance against any nuclear tests. [Passage omitted].

Envoy To Visit PRC on Aid Cut

*OW2908141695 Tokyo KYODO in English
1405 GMT 29 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — A senior Japanese diplomat will visit Beijing from Wednesday [30 August] through Friday to discuss Tokyo's planned aid cut in connection with China's continued nuclear tests, Foreign Ministry sources said Tuesday.

Ryozo Kato, head of the ministry's Asian Affairs Bureau, will exchange views with Chinese officials over bilateral relations during the visit, the sources said.

During the talks, Kato will notify the Chinese side of Japan's plan to freeze nonhumanitarian grant aid in protest against the country's nuclear tests, they said.

The official will also reiterate Tokyo's plea for a halt to nuclear tests, which China has conducted twice this year, earlier this month and in May.

Tokyo decided earlier Tuesday on the aid freeze but did not include official loans in the protest action.

The decision drew immediate reaction from China, which said it would be "highly detrimental" to bilateral ties.

Tokyo Drafting New Partners for Progress Plan

Seeks More Economic Cooperation

*OW2908130795 Tokyo KYODO in English
1233 GMT 29 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — Japan will propose at the November meeting in Osaka of the Asia-Pacific Economic Cooperation (APEC) forum a new mechanism meant to expand intra-APEC economic cooperation, according to a draft APEC document.

The revised version of the Partners For Progress (PFP) program drafted by this year's APEC host Japan for the Nov. 19 informal APEC summit calls for APEC to create a new unit to help narrow economic gaps among APEC members and thus ensure sustained growth in the region.

The unit will mainly take charge of information gathering for economic and technological cooperation for less developed APEC members, said the document obtained by KYODO NEWS SERVICE.

The PFP is designed to help achieve APEC goals for trade liberalization and facilitation in the Pacific Rim area by reinforcing the overall economic foundation of developing economies, rather than by pushing for tangible trade liberalization measures such as tariff cuts.

Specifically, the new unit is intended to coordinate projects to enable developed and less developed members to pool financial, human and administrative resources to enhance mutual cooperation in the APEC region.

Japan first floated the PFP concept at last November's Indonesian APEC session but that met criticism from other APEC members, which said there are no distinct differences between the program and conventional aid mechanisms like the Official Development Assistance (ODA) program.

Some critics said the Japanese idea was intended to transform APEC into an aid organ.

To skirt the criticism, the revised PFP program proposes setting up the unit outside the APEC Secretariat in order to make APEC's organ in charge of economic cooperation affairs independent from the secretariat, government sources said.

The document says the PFP scheme will cover all economic and technological cooperation fields which are at present handled by APEC organs and which will be dealt with by them in the future.

Initial priority will be placed on areas related to trade liberalization and trade facilitation, says the document.

Under the PFP program, APEC-related organs first present to the proposed unit candidates for cooperative projects. APEC members then select a specific project they want to take part in and seek partners among other APEC members.

Partners cooperate with the lead member within the scope of their resources, says the document.

As a way to prevent a unilateral flow of aid to recipient members, such members are also requested to make the maximum possible contribution to the project, it says.

Draft Plan Summarized

OW2908004795 Tokyo YOMIURI SHIMBUN in Japanese 26 Aug 95 Morning Edition p 6

[FBIS Translated Text] Following is a summary of the draft of "Partner for Progress" (PFP) concept.

1. Aim: The PFP concept aims at providing a mechanism for further promoting economic and technical cooperation among member nations of the Asia-Pacific Economic Cooperation (APEC) forum.

2. Background: (omitted)

3. Guidelines: APEC member nations and regions offer to sponsor and take full responsibility for carrying out the PFP project.

4. Procedures for Planning Projects: The PFP Unit works out a summary of a proposed project. After studying it, member nations decide whether to offer to sponsor the project. Sponsoring nations get approval for the project at a high working-level meeting. Sponsoring nations call on members to join and support the project.

5. Organization: The PFP Unit will be set up as an information center with a few staff members.

Postscripts: To start activities of the PFP Unit, Japan is ready to offer facilities, know-how, and databases in the possession of the Japan International Cooperation Agency (JICA).

Hashimoto Discusses Attending APEC Forum

OW2908041995 Tokyo KYODO in English 0336 GMT 29 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — Trade Minister Ryutaro Hashimoto, who is likely to become president of the Liberal Democratic Party (LDP) due to his contender's withdrawal from the presidential race, said Tuesday [29 August] he wants to attend the November Osaka meeting of the Asia-Pacific Economic Cooperation (APEC) forum under the current form of the cabinet.

"Whether I take part in the Osaka APEC meeting is not a matter to be decided by myself alone but by the prime minister's judgment," International Trade and Industry Minister Hashimoto told a news conference.

"But it would be great if I can play the role of trade minister at the gathering and Prime Minister Tomiichi Murayama and Foreign Minister Yohei Kono attend the meeting while retaining their respective posts," Hashimoto said.

Hashimoto was apparently giving the impression that his being selected as head of the LDP, the largest force in the tripartite ruling coalition, in the September presidential race would not have any impact on formation of the current government led by socialist Murayama.

On Monday, Foreign Minister Kono announced he will not seek reelection as the president of the LDP, effectively clearing the way for Hashimoto's taking the helm as the next LDP head.

Hashimoto repeated remarks he made Monday [28 August] after Kono's surprise announcement, saying, "as a challenger, I wanted to engage in policy debate with Kono toward the LDP presidential election."

"I still have the feeling that I am a challenger," he said.

Hashimoto then said, "I have no intention to link the matter of the LDP president with that of the trade minister."

"I will fulfill the duty of the trade minister regardless of the results in the LDP presidential race," he said.

On the economy, Hashimoto stressed the need for the government to take "the golden opportunity" of the recent depreciation in the yen's value against the dollar to step up the drive to bring about economic reforms and buoy the slumping economy.

Hashimoto was referring to a new economic package scheduled to be unveiled by Sept. 20.

Earlier in the day, Prime Minister Murayama instructed Hashimoto and other economic-related ministers to do their utmost to work out effective pump-priming steps as a way to make the previous packages, in April and June, fully operative.

Hashimoto said he wants the upcoming package to cover such areas as promotion of corporate research and development, improvement of information technology and new business creation.

He also cited more foreign investment in Japan, expanded imports by Japanese firms, more stable financial standings of small companies and measures for more employment.

Tokyo To Help Vietnam Draw Up Economic Policy

OW2908011095 Tokyo ASAHI SHIMBUN in Japanese 28 Aug 95 Morning Edition p 3

[FBIS Translated Text] The government sent a fact-finding team (led by Norio Hattori, councillor at the Foreign Ministry's Economic Cooperation Bureau) to Hanoi on 27 August as part of the process of giving Vietnam, a new member of the Association of Southeast Asian Nations (ASEAN), comprehensive assistance in drawing up an economic policy. On 28 and 29 August, the team will discuss with Vietnamese officials the SRV's five-year economic and social program that starts from 1996. In the talks, it will present policymaking measures, including Japan's postwar "development program." With this as a first step, Tokyo will promote aid to Vietnam.

Shigeru Ishikawa, an honorary professor at Hitotsubashi University, and Yasutami Shimomura, a professor at Saitama University, are participating in the fact-finding team as Vietnam specialists. The team will exchange opinions with Vietnamese officials concerning the country's long-term development plan.

Both Japan and Vietnam will set up working groups on economic cooperation in the future. The Japanese working group will be composed of Vietnam specialists at the Foreign Ministry, the Finance Ministry, the International Trade and Industry Ministry, and the Japan International Cooperation Agency (JICA). Scholars will also join the group. The Vietnamese working group will consist mainly of officials of the State Planning Committee and the Finance Ministry. They will work for economic cooperation over the next two years.

In the planned discussions with Vietnamese officials, the team will emphasize the importance of the Vietnamese Government carrying out an industrial policy of systematically nurturing key industries and adopting fiscal and monetary measures to establish a market economy in the country.

Murayama Orders Pump-Priming Package by 20 Sep

OW2908053695 Tokyo KYODO in English 0405 GMT 29 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — Prime Minister Tomiichi Murayama ordered his cabinet ministers Tuesday [29 August] to compile a new pump-priming package by Sept. 20 in yet another bid to buoy up Japan's stagnant economy.

Government officials said the third economic stimulation package to be implemented by the Murayama cabinet calls for spending of more than 10 trillion yen under the second fiscal 1995 supplementary budget. The budget is expected to be submitted to the Diet for approval in early October.

The cabinet compiled the two previous packages in April and June to bolster a domestic economy hard hit by the yen's appreciation on the foreign exchange market.

Murayama gave the order for the new package in a meeting with Finance Minister Masayoshi Takemura, Economic Planning Agency head Isamu Miyazaki, International Trade and Industry Minister Ryutaro Hashimoto and other officials.

The new package calls for additional spending for reconstruction of the area hit by the Jan. 17 great Hanshin earthquake and for promoting the development of science and technology to push economic reforms, the officials said.

The package also includes measures to deal with the effects on Japanese agriculture of the implementation of the Uruguay Round accords on liberalization of trade.

To implement the new package, the government expects to issue deficit-covering bonds as it did under the first fiscal 1995 supplementary budget, the officials said.

Bad-loan Measures Excluded

OW2908054395 Tokyo KYODO in English 0441 GMT 29 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — Another economic stimulus package, due out by Sept. 20, will not include measures to cope with either financial institutions' bad loans or monetary steps, Finance Minister Masayoshi Takemura said Tuesday [29 August].

Takemura said the government will put together its policies on the bad-loan disposal separately after reviewing an interim report by the Financial System Research Council, an advisory body to the finance minister, which he said is likely to take until around Sept. 28.

Takemura also said the government's package should not directly mention monetary policy such as money supply and interest rates, which he said should be judged by the Bank of Japan.

On a second supplementary budget for this fiscal year as part of the package, Takemura stressed the need for effective fiscal actions to help prop up Japan's economy by expanding domestic demand.

The extra budget will focus on public works to meet growing demand for telecommunications, and research and development fields, Takemura said.

Takemura indicated the package may include measures to help promote the sale of land in the still sluggish real estate market, pointing out the need for a study of steps to make good use of idle public sites.

EPA Report Reiterates Economic 'Standstill'

OW2908092495 Tokyo KYODO in English 0631 GMT 29 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — The Japanese economy will be headed for a recovery in the second half of fiscal 1995 which started in April if the government takes "effective" measures, the Economic Planning Agency (EPA) said in a report Tuesday [29 August].

EPA chief Isamu Miyazaki submitted the report to a meeting of cabinet ministers concerned with economic affairs following a regular cabinet meeting.

The report reiterates that the economy is currently at a "standstill," the same term used in recent monthly economic reports.

But the report goes on to say, "there is also a fear of deflation...declines in demand would fuel the price-busting trend, shrinkage in production and reduction in employment, then further bring about a downward spiral of prices."

In order to strengthen the economy, the report says the government should take drastic steps to boost domestic demand, to clean up the bad-loan mess in the financial system as early as possible, to push deregulation and other restructuring measures further, and to maintain employment and ensure stability in smaller businesses.

As for the future, the report says the economy will shift to a stage of stable growth, reflecting a lower current-account surplus due to higher imports, stabilization in the yen's value against the U.S. dollar and economic restructuring.

Speaking at a press conference, Miyazaki said, "I expect that (Japan's) economy will show about the same growth rate as those of other major industrialized countries from the latter half of the current fiscal year to the next fiscal year."

He also said the government should change the allocation ratios of the budget for public works projects which are the major force to strengthen the economy.

Budget appropriations should be focused more on such fields as research and development, medical care and information and telecommunications rather than on the traditional public works area of road construction, Miyazaki said.

Cosmo 'Repeatedly' Warned of Irregularities

OW2908053295 Tokyo KYODO in English 0311 GMT 29 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — The Tokyo metropolitan government repeatedly ordered the bankrupt Cosmo Credit Corp. to rectify business irregularities every year from fiscal 1991 to 1994, official documents show.

Among the irregularities cited are an insufficient capital adequacy ratio and an excessive balance of deposits taken from nonmembers of the credit union, according to the documents, a copy of which was obtained by KYODO NEWS SERVICE.

Cosmo Credit, the largest credit union in Tokyo, has failed to meet the required 4 percent capital-to-assets ratio since fiscal 1991, when its ratio stood at 2.57 percent, according to the documents.

As for deposits from nonmembers, Cosmo Credit failed to keep the ratio of such deposits to total deposits below 20 percent as required by law for nine straight years to the current fiscal year, the documents show.

Cosmo Credit also failed to abide by rules requiring it not to provide loans of more than 3.3 billion yen at a time to a single borrower, breaking this rule six times since fiscal 1985, the documents show.

The metropolitan government warned the credit union about the high share of bad loans among its outstanding loans, the papers show.

The proportion of bad loans to total loans stood at 12.9 percent in fiscal 1991 and has steadily risen since then, standing at 38.5 percent in fiscal 1992, 43.6 percent in fiscal 1993, 47.2 percent in fiscal 1994 and 72.5 percent in fiscal 1995, according to the documents.

According to sources familiar with the credit union, Cosmo Credit used a total of 32 dummy companies to bid for real estate held as collateral for such bad loans, in an effort to shift its bad loans to such dummy companies.

The dummy companies purchased 260 items of such real estate for some 51 billion yen, using loans from Cosmo Credit, which stood at some 67 billion yen at the end of July, the sources said.

Of the real estate, only 80 lots were resold, leaving Cosmo Credit still saddled with loans to the dummy companies, which turned out to be bad loans.

Cosmo Credit virtually went bankrupt at the end of July with bad loans of 380 billion yen after depositors rushed to retrieve their money in reaction to a newspaper report that it was in a crisis.

On Monday, the metropolitan government unveiled a scheme designed to dispose of the huge amount of bad loans left by the credit union.

Debts Total 440 Billion Yen

OW2808153495 Tokyo KYODO in English
1523 GMT 28 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 28 KYODO — The amount of more than 100 million yen worth of large-scale loans extended by the bankrupt Cosmo Credit Corp. reached 440 billion yen with the number of borrowers standing at 695, a Tokyo Metropolitan Government survey said Monday [28 August].

According to the survey, those who held the most debt were a service-related company and a real estate concern with debts of 3.14 billion yen each.

The names of the borrowers were not made public by the government due to protection of privileged information.

The total debts of the top 100 on the list stood at 210 billion yen, 160 billion yen of which was borrowed by 75 real estate-related companies, the survey said.

The realtors accounted for 53 percent, or 370 of the 695 debtors, with the total debts of 270 billion yen, accounting for 63 percent of the total 440 billion yen debts, it said.

The large amount of loans to the realtors led to Cosmo's failing, as the credit became nonperforming loans when land prices began plunging after the burst of the "bubble" economy in the early 1990s, the government said.

Cosmo extended loans of more than 1 billion yen to 135 debtors, but none of the loans were in violation of regulations, which prohibit a credit union from lending money beyond 20 percent of the union's equity — 3.3 billion yen in Cosmo's case, it said.

MOFA Budget Approval Tied to Action on PRC

OW2708084095 Tokyo MAINICHI SHIMBUN
in Japanese 26 Aug 95 Morning Edition p 1

[FBIS Translated Text] The ruling coalition's Foreign Affairs Coordination Committee (chaired by Representative Seiji Maehara of Sakigake [Harbinger Party]) on 25 August recommended to Chief Cabinet Secretary (and acting Foreign Minister) Koken Nosaka that the government take the following actions in protest against China's nuclear tests: 1) freeze aid grants to China and 2) handle new yen-based loans to China cautiously. The committee members assumed a hard-line attitude toward the issue, saying, "If the government does not accept those demands, we will reject the Ministry of Foreign Affair's [MOFA] budget request for fiscal 1996." The government, which is considering providing yen-based loans to China as scheduled, out of consideration for Japan-China relations, is having difficulties in handling the issue.

The committee criticized China for conducting nuclear tests in May and on 17 August, saying, "As the only nation in the world that has been the target of atomic bombs, we cannot tolerate nuclear tests, which discourage people who earnestly wish for reduction and total abolition of nuclear arms." The committee urged that aid grants be restricted, and said: "Providing Official Development Assistance (ODA) to such a country runs counter to the spirit of the ODA guidelines (that require the government to pay attention to recipient countries' handling of mass-destruction weapons). It is impossible to win taxpayers' understanding."

Nosaka consulted with Prime Minister Tomiichi Murayama, but the prime minister merely said, "I will discuss this with Deputy Prime Minister and Foreign Minister Yohei Kono after he returns home." Nosaka said, "The majority of the public seem to share the committee's view. Only verbally expressing our opposition (to the nuclear tests) is not enough."

There is an opinion within the government that "it is not good to link foreign policy to the budget request, which is an unrelated matter." However, many ruling party officials have assumed a hardline attitude, saying: "The three ruling parties have agreed on this issue. The government cannot obscure it simply for the sake of diplomatic considerations" (as stated by Koichi Kato, chairman of the Liberal Democratic Party of Japan Policy Research Council.)

Further Reportage on FY96 Budget Request

MITI Not Seeking YSX Costs

OW2808123995 Tokyo KYODO in English
1035 GMT 28 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 28 KYODO — The Ministry of International Trade and Industry (MITI) has given up a plan to seek fiscal 1996 budget appropriations for development of the YSX passenger plane, ministry officials said Monday [28 August].

The officials cited bleak prospects for profitability of the plane due to the yen's strength against the dollar as one of the main factors.

The officials also said Boeing Co. of the United States remains noncommittal about its participation in a project to develop the plane, which would have about 100 seats.

MITI requests only costs for a feasibility study, which got under way in fiscal 1989, in the national budget for fiscal 1996 which begins next April, they said.

The ministry had planned to complete the feasibility study in fiscal 1995 to embark on full-scale development, with the first flight of the plane scheduled for around the year 2000.

But the rapid appreciation of the yen has now made it difficult to achieve initially targeted sales of more than 800 planes in the world market centering on Asia, ministry officials said.

The Japanese companies involved in the YSX project are Mitsubishi Heavy Industries Ltd., Kawasaki Heavy Industries Ltd. and Fuji Heavy Industries Ltd.

Their talks with Boeing are being conducted through Japan Aircraft Development Corp., a semigovernmental corporation promoting Japanese aircraft development. The ministry will conduct a wholesale review of the project in the process of the feasibility study and talks with Boeing, a ministry official said.

MITI Seeks Y3.2 Billion for Region

OW2808121395 Tokyo KYODO in English
1032 GMT 28 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 28 KYODO — The Ministry of International Trade and Industry (MITI) will seek a 3.2 billion yen [Y] appropriation for assistance to Asia-Pacific nations in fiscal 1996, ministry officials said Monday [28 August].

The officials said the sum consists of 2.1 billion yen for aid to promote trade and investment among members of the Asia-Pacific Economic Cooperation (APEC) forum and 1.1 billion yen for construction of facilities in Japan to enhance the effective use of energy resources in the region.

The request will be in connection with the APEC conference to be held in Osaka in November, they said.

Japan plans to dispatch experts to APEC members to help promote trade and investment in the region and provide training for trainees from other member economies.

The officials said the sum will be part of a 943.1 billion yen general account budget the ministry will request in the new fiscal year which begins April 1.

The sum will represent a 5.3 percent rise over the original budget for the current fiscal year.

General operating expenditures, excluding an appropriation to be transferred from the special energy-related account, will account for 390.1 billion yen, up 2.5 percent over the current year, the officials said.

In addition, the officials said the ministry will request a sum of 6.8 billion yen for the consolidation of the industrial infrastructure, and research and development.

The officials said the ministry plans to set aside a total of 337 billion yen for projects related to research and development.

The appropriation will include 2.7 billion yen for the new energy and industrial technology development organization to commission research and development on biotechnology and electronic and information technologies to universities and state-run laboratories, the officials said.

They said 900 million yen will be earmarked for consolidating a database for genetic engineering and other advanced technologies.

MOFA Requesting 768 Billion Yen

*OW2908134395 Tokyo KYODO in English
1106 GMT 29 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — The Foreign Ministry will request 768 billion yen in the fiscal 1996 budget, including 593 billion yen for Official Development Assistance (ODA), ministry officials said Tuesday [29 August].

The ministry's request marks a 6.0 percent hike from the initial budget for fiscal 1995 and a 7 percent increase in the ODA.

Among the highlights is a request for 230 million yen for a project to establish and operate a research center to promote nuclear nonproliferation and disarmament, the officials said.

The center will study creation of a global network to monitor nuclear testings, collect data on underground nuclear experiments, translate various references and conduct research, they said.

It will also attempt to determine the chemical weapons left behind in China by the Japanese Imperial Army, they said.

China claims the military left some 2 million poison gas shells in the country.

Also among the ministry's budget request is 272 billion yen for grant-in-aid, an increase of 6.3 percent from the previous year.

The ministry will seek 1.5 billion yen to support reconstruction and nation-building efforts by countries suffering from regional conflicts.

It will be the first time for the ministry to request funds for that purpose.

The ministry will also request a 66.7 percent increase in small- scale grants known as grass-roots grant-in-aid.

As part of its efforts to enhance its diplomatic services and facilities, the ministry will seek to set up an embassy in Lithuania and a consulate general on Cheju Island of South Korea.

It also wants to create the post of deputy director general in charge of the Asia-Pacific Economic Cooperation (APEC) forum which Japan will host in November in Osaka.

EPA Seeks 4.7-Percent Increase

*OW2808122495 Tokyo KYODO in English
1037 GMT 28 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 28 KYODO — The Economic Planning Agency (EPA) will seek appropriations of 13,953 million yen under the fiscal 1996 government budget, up 4.7 percent from the initial fiscal 1995 budget, EPA officials said Monday [28 August].

The requests include 151 million yen for research on economic and social infrastructures and on strategies for global economic development. The requests also include 2,680 million yen to strengthen the government-run better living information center for implementation of the Product Liability Law.

Including proposed subsidies to the government-run Overseas Economic Cooperation Fund (OECF), the EPA's budgetary requests totaled 27,867 million yen, down 51.0 percent.

MOE Requests 5.88 Trillion Yen

*OW2808133195 Tokyo KYODO in English
1252 GMT 28 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 28 KYODO — The Ministry of Education [MOE] decided Monday [28 August] to ask the government for a fiscal 1996 budget allocation of 5.88 trillion yen, up 238 billion yen or 4.2 percent from the current fiscal year budget, ministry officials said.

The 5.88 trillion yen request includes 6.36 billion yen to build facilities for the 1998 Nagano Winter Olympic Games, up 20 million yen or 0.3 percent from the current fiscal year.

A 5.08 billion yen fund will be used to build a speed skating rink in the city of Nagano, another 229 million yen for a cross-country race track in the village of Hakuba and 1.06 billion yen for an ice hockey arena.

The ministry's budget program for fiscal 1996 starting next April also includes a 103.4 billion yen fund to foster scientific research, up 11 billion yen from fiscal 1995, and a separate 11 billion yen to grant to the Japan Society for the Promotion of Science.

The ministry is also seeking 5 billion yen to reinforce school buildings to endure earthquakes and another 3.3 billion yen to step up other school equipment to prepare for disasters.

The projects were designed following January's earthquake that killed more than 5,500 people in Kobe and its vicinity.

As part of the ministry's budget, the Cultural Affairs Agency is asking for 78.9 billion yen in the fiscal 1996 budget, up 18.2 percent from the current fiscal year. The agency plans to allocate 3.3 billion yen for the new "arts plan 21" to financially support operas, orchestras and other stage arts.

Murayama Asks Kono To Remain Foreign Minister

OW2908033295 Tokyo KYODO in English 0329 GMT 29 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — Prime Minister Tomiichi Murayama asked Foreign Minister Yohei Kono on Tuesday [29 August] to continue in his job, a day after Kono announced he will not run for reelection as president of the Liberal Democratic Party (LDP).

Kono said he told Murayama that he will continue as foreign minister "for a while."

Kono is expected to stay on as foreign minister at least until the end of September, when his term as LDP president expires.

Hashimoto May Assume Deputy Premier's Post

OW2908091895 Tokyo KYODO in English 0746 GMT 29 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 29 KYODO — International Trade and Industry Minister Ryutaro Hashimoto may assume the post of deputy prime minister should he head the ruling coalition's Liberal Democratic Party (LDP), Finance Minister Masayoshi Takemura said Tuesday [29 August].

"When a new (LDP) president is fixed, the new president would be deputy prime minister, I guess," Takemura said in an interview with KYODO NEWS SERVICE.

"If one is asked (by Prime Minister Tomiichi Murayama) by all means to become deputy prime minister, he or she would be deputy prime minister," said Takemura, who leads New Party Sakigake, the smallest component of the ruling coalition.

Incumbent LDP President Yohei Kono, who concurrently serves as deputy prime minister and foreign minister, announced Monday he will not run for another two-year term in the Sept. 22 LDP presidential race, with Hashimoto reportedly winning majority support among LDP parliamentarians.

Takemura said Kono is likely to keep the foreign ministerial post and Hashimoto the trade ministerial post even after Hashimoto wins the LDP leadership.

"I don't think he will say 'Mr. Kono, I want to take the post. Get out of my way,' or something like that," Takemura said.

The LDP, Sakigake and Murayama's Social Democratic Party have formed the tripartite ruling coalition since June last year.

LDP To Promote Presidential Race as Planned

OW2908123295 Tokyo NHK General Television Network in Japanese 0300 GMT 29 Aug 95

[Announcer-read report; from "NHK News" program]

[FBIS Translated Excerpt] At today's meeting, Liberal Democratic Party [LDP] executives agreed that despite LDP President Yohei Kono's decision not to run in the party presidential race, the party should carry out procedures for the election as planned. They confirmed that the date for the start of campaigns should not be advanced from 10 September, the appointed date.

LDP Secretary General Hiroshi Mitsuzuka told the meeting that despite President Kono's withdrawal from the race, procedures for the election should be promoted in an orderly manner in accordance with the rules and under a new electoral system. In this way, he noted that the date of the start of campaigns should not be advanced.

However, Mitsuzuka told a news conference after the meeting that should no one but International Trade and Industry Minister Ryutaro Hashimoto file as a candidate on 10 September and Hashimoto be elected new president uncontested, it would be necessary to consider holding a party convention sooner than 25 September. [passage omitted]

Hashimoto Hints at Kato as Secretary General

OW2508144295 Tokyo MAINICHI SHIMBUN in Japanese 22 Aug 95 Morning Edition p 2

[FBIS Translated Text] Ryutaro Hashimoto, minister of international trade and industry, who has announced his intention to run in the upcoming Liberal Democratic Party [LDP] presidential election, granted an interview to MAINICHI SHIMBUN on 21 August. He revealed that he has been in close contact with Koichi Kato, chairman of the LDP Policy Research Council, over coordinating such political matters as the "Diet resolution on the 50th anniversary of the end of World War II" adopted last June, budget requests for FY96 to be submitted by government ministries and agencies later this month, and the second supplementary budget to be compiled this fall. Hashimoto hopes that Kato will support him in his bid for the LDP presidency.

Regarding the possibility of having LDP Secretary General Hiroshi Mitsuzuka retain his current post in the event Hashimoto wins the presidential race, the trade minister said: "You can call it a clean slate." It is observed that in this remark, Hashimoto has hinted that he is considering asking Kato to assume the secretary general's post.

In the interview, Hashimoto explained that when the LDP fell into turmoil due to strong reaction in some quarters of the party against adopting the proposed draft of the World War II anniversary Diet resolution, Kato, who was dashing back and forth trying to settle the confusion, said to former Home Affairs Minister Hiromu Nonaka: "I would like to request your assistance." Hashimoto, who is also the chairman of the Japan Association for the Bereaved Families of the War Dead, admitted that he acted upon Nonaka's request to take care of the matter. Hashimoto thus stressed that through such coordinated efforts with Kato, the ruling coalition parties' draft of the Diet resolution came into being.

Mitsubishi To Begin Concrete Business in PRC

OW2608023995 Tokyo KYODO in English
0128 GMT 26 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 26 KYODO — Mitsubishi Corp. will produce ready-mix concrete in China jointly with Chinese and Taiwanese concerns, the NIKKAN KOGYO SHIMBUN reported Saturday [26 August].

The major trading house has already acquired a 10 percent equity stake in the Chinese-Taiwanese joint venture set up in Shanghai in July, the industrial daily said.

The scheme is in response to growing demand for ready-mix concrete due to a construction boom in Shanghai, the newspaper said.

The joint firm will lay down capital of 1 billion yen to build a plant in Shanghai that will begin operating March next year, the paper said. The plant will have an annual concrete output of 200,000 cubic meters, it said.

The company will also construct another plant with a similar output scale in the Chinese city and begin production in September next year, said the paper.

The joint company plans to build six plants in several years for a combined annual production of 1.2 million cubic meters of ready-mix concrete, the paper said.

Nomura To Help Foster SRV Companies

OW2608003795 Tokyo KYODO in English
0018 GMT 26 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 26 KYODO — Nomura Securities Co. will assist Vietnam in corporate fund procurement and privatization of its state-run companies, an economic paper reported Saturday [26 August].

Behind the move is a strong desire by Vietnam to strengthen its international competitiveness ahead of its participation in the ASEAN Free Trade Area (AFTA) next year, the NIHON KEIZAI SHIMBUN reported.

Nomura, Japan's largest brokerage house, would be able to expand its securities business in Asia via enhanced cooperation with Vietnamese firms, the paper said.

Under a three-year comprehensive accord signed by Nomura and Vietnam's Heavy Industry Ministry, Nomura will smooth the way for fund raising by Vietnamese corporations, especially steel makers and chemical fertilizer makers, through undertaking bond issues for sale to overseas institutional investors, the paper reported.

Vietnam aims to raise about 5 billion dollars to finance the renovation of outmoded industrial facilities, the paper said.

Nomura will also serve as a bridge for Vietnam's large-scale project financing deals, such as chemical plant and steel mill construction, the paper said.

Nomura will also help Vietnamese firms set up joint ventures with foreign companies, it said.

MITI To Help Develop Small Jet Engine

OW2608062895 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 24 Aug 95 Morning Edition p 5

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] plans to support the development of a new jet engine for small aircraft. It plans to make arrangements with the Finance Ministry to provide financial support to private corporations and other developers from FY96 for their research and development of a new engine for small aircraft with a seating capacity of around 70. MITI hopes to develop an engine that can be manufactured cheaply, yet is highly fuel efficient. Should corporate efforts yield successful results, MITI expects to sell the engine mainly in overseas markets to European and Asian aircraft companies, among other prospective buyers. In this way, MITI intends to develop the new jet engine into a pillar that will support the Japanese aircraft business.

MITI has been conducting feasibility studies on marketing the small jet engine. It has finally determined that because demand has increased for small passenger aircraft due to, among other reasons, a growth in the volume of air transportation, there is a very good chance for Japan to take advantage of its technologies to enter the business of manufacturing a new engine for such aircraft.

It is observed that the development of the small jet engine will be handled mainly by private corporations such as Ishikawajima-Harima Heavy Industries and Kawasaki Heavy Industries as well as makers of engine components. Companies are already pushing to come up with a marketable product as indicated in such moves as their business tie-ups with overseas firms. For such research and development projects, MITI plans to provide a total of 900 million yen in subsidies in the initial fiscal year. In this way, it intends to encourage the development of a marketable product. Specifically, it intends to study, among other possibilities, a plan to subsidize the payment of interest on money borrowed to pay for research costs.

Although Japanese companies have lagged behind their Western counterparts in the aircraft industry, they have developed the "V-2500" jet engine for medium-sized passenger airliners in joint efforts with U.S. and European companies.

MITI plans to support efforts by the private sector to develop a small engine based on such technology. It hopes to develop a fully operational model in a few years from FY96.

MITI intends to develop a small jet engine which produces only small amounts of nitrogen oxide emissions and is highly fuel efficient. It feels that it will be necessary to reduce manufacturing costs for the new engine to be competitive in international markets.

North Korea

Daily Refutes South Unification Argument

SK2808112495 Pyongyang KCNA in English 1041 GMT 28 Aug 95

["'Argument for Unification of Systems' for Anti-National Division and War" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 28 (KCNA) — The "argument for unification of systems" on the lips of the South Korean puppets is an anti-national one for division and war, ignoring the reality of Korea in which different ideologies and systems are existing in the North and the South, says NODONG SINMUN in an article today.

The author of the article goes on:

According to the "argument for unification of systems", reunification can be realized if any one of the North and the South gives up its ideology and system and it can never be realized if one of the two sides does not give up its ideology and system.

We cannot concede to anybody the anthropocentric Korean-style socialism, a most superior one in the world under which the leader, the party and the masses are united in one mind.

Ideology and system should be chosen by the people themselves, not forced by others. To simplify systems presupposes conquering other side, whatever means it may be.

Therefore, it can not be accepted by any side. If the unacceptable one is to be forced, it will intensify mistrust and confrontation among the nation and, further, cause conflicts and irrevocable national disaster.

The puppets argue that there can be only one system in one country and insist on reunification by means of extending the system of one side to the other. This "argument for unification of systems" is nothing but a foolish, infeasible dream as a revelation of their ambition for unification by extending the South Korea's colonial fascist dictatorship to the North.

By misleading the public opinion with the unrealistic "argument for unification of systems" the puppets are trying to perpetuate the country's division and make "two Koreas", and, finally, to obstruct reunification.

It is an utterly anti-national one for division and war, little different, in contents, from the "argument for march North to unify" in the 50s, the "argument for construction first and unification second" in the 60s, the "proposal for unification through national reconciliation and democracy" in the period of the "Fifth Republic" and the "proposal for Korean national community unification" in the period of the "Sixth republic", which were raised by the preceding ruling quarters.

The Kim Yong-sam group must immediately throw into a dustbin of history the "argument for unification of systems" that is rejected and denounced by the whole nation for its pseudo reunification proposal, anti-national, anti-peaceful and anti-reunification, and respond to the fair and aboveboard proposal for reunification by means of confederacy confirmed by the whole nation as a common reunification method.

South Groups Urge Fairness in Reporting

SK2808113395 Pyongyang KCNA in English 1033 GMT 28 Aug 95

[All quotation marks are as received]

[FBIS Transcribed Text] Pyongyang, August 28 (KCNA) — Progressive pressmen and organisations in South Korea are now earnestly calling for an objective report on North Korea.

Local publications and televisions are vying with one another in carrying and screening the image of the great leader Comrade Kim Chong-il in the teeth of unreasonable intervention and obstructions on the part of the "Agency for National Security Planning [ANSP]."

"KIJAHYOPHOEBO" (Bulletin of the Journalist Association), an organ of a press organisation in South Korea, declared it would continue printing the image of the great leader Comrade Kim Chong- il.

The National Federation of Trade Unions of the Pressmen of South Korea, the Journalist Association of South Korea, the "Association of Broadcasting Programme Makers of South Korea in "rules of news coverage for peaceful reunification and reconciliation and cooperation between the North and the South," which was made public some time ago, said:

"Our press has been hitherto branded as anti-reunification press by inciting distrust and consciousness of confrontation rather than helping create an atmosphere of reconciliation and trust in news coverage of questions of inter-Korean relations and reunification."

A broadcasting company of South Korea, in "norms of unbiased news coverage," said it would reject "reports creating prejudice and distrust, hostile reports and reports of conjecture apprehensive of doing harm to the homogeneity of the nation or fostering and perpetuating division between the North and the South. It declared "steps of disciplinary punishment would be taken in case the norms are violated.

Progressive men of the press in South Korea are calling for the abolition of the "National Security Law" barring unbiased and objective reports about North Korea and a stop to anti-North false propaganda campaign of the "ANSP."

Literature on Kim Il-song Scattered in South

SK2808114795 Pyongyang KCNA in English
1103 GMT 28 Aug 95

[FBIS Transcribed Text] Pyongyang, August 28 (KCNA) — Copies of literature praising the great leader President Kim Il-song were scattered in all parts of South Korea on the occasion of the 50th anniversary of national liberation, according to Radio Voice of National Salvation from Seoul quoting the information of the Central Committee of the National Democratic Front of South Korea.

On front of the literature in the name of the Paektu Society which was scattered in Yongdungpo District, Seoul, at the dawn of August 15 were the letters "Let us remember President Kim Il-song. Let us uphold President Kim Il-song for all ages. Oh, he is the benefactor of national liberation who held up a torchlight of restoration on Mt. Paektu, the holy mountain, defeated the one million strong Japanese imperialist Army and brought about a spring of national rebirth, pulling through tens of thousand of miles of bloody road and snow-storm for twenty years."

On the back of the literature were the letters "Patriotic people from all walks of life President Kim Il-song, a peerless great man, to whom all the people look up, is preserved in state at Kumsusan Memorial Palace, the supreme holy land in Pyongyang. Let us all sincerely pray for the immortality of President Kim Il-song, the benefactor of national liberation, adjusting ourselves."

The literature which was scattered in the east district, Kwangju, at the night of August 14 in the name of the patriotic society for reunification said under the title "Long Live General Kim Il-song, the Benefactor of National Liberation" that though General Kim Il-song, a famous general who descended from the heaven, passed away, the feats performed by him in the history of the movement for independence against Japan will be immortal with national history.

Another literature was scattered in Chungang-tong, Inchon, at the same night. It called for bringing about the day of genuine liberation, a happy event of reunification in this land, true to General Kim Il-song's behests for reunification.

South Magazine Satirizes Kim Yong-sam

SK2808151095 Pyongyang KCNA in English
1501 GMT 28 Aug 95

[FBIS Transcribed Text] Pyongyang, August 28 (KCNA) — The South Korean weekly magazine HANGYORE 21 in recent issues carried satirical pictures critically deriding and denouncing the traitor Kim Yong-sam, a flunkeyist, which attracted the attention of the people.

A picture which was printed in the June 15 issue of the magazine satirizes ill-shaped Kim Yong-sam acting from impulse without discretion, upset by the on-going dissolution of the "Democratic Liberal Party", a group of rabbles, forsaken by the press and by the South Korean people's struggle against him which is daily gaining momentum.

A caricaturist sharply satirized the behaviour of the traitor floundering in extreme uneasiness and crisis under the title "YS Is Not Dissuaded" (YS is the English abbreviated name of Yong-sam) in the sense that his political form devoid of political philosophy and ability is no more than caprice and disguise and as it is a gifted quality, he cannot be dissuaded and it is of no use dissuading.

A picture which was carried in the June 22 issue of the magazine shows that the puppet clique Kim Yong-sam cannot avoid a stern judgement of history, for he allowed the puppet police raid upon the Myongdong Cathedral and Chogye Temple which are called "sanctuary of conscience" in South Korea and mercilessly suppressed telecommunication Co., unionists who were struggling for democratization of society and the right to existence.

A picture which was printed in the June 29 issue tells that no matter how desperately Kim Yong-sam may try, he cannot but face a big defeat in the "local autonomous system elections".

The caricaturist scornfully shows the pitiful doom of the traitor Kim Yong-sam.

South Korean Students Visit to Pyongyang Viewed

SK2908102495 Pyongyang KCNA in English
1010 GMT 29 Aug 95

[FBIS Transcribed Text] Pyongyang, August 29 (KCNA) — Chong Min-chu and Yi Hye-chong, delegates of the South Korean Federation of General Student Councils (Hanchongnyon) under the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), visited the Ssuksom Historical Revolutionary Site.

Situated on an islet in the Taedong River here, it is a place where the great leader President Kim Il-song met the South Korean representatives who participated in the North-South joint conference in April 1948 and performed a shining feat in the Korean nation's history of the united front movement.

After visiting the place they made entries in the visitor's book.

Chong Min-chu wrote that the youth and students, the first generation of reunification, would certainly realise the desire of the elders to achieve the unity of all the Koreans in the North, the South and overseas at present, 50 years after the division of the country.

Yi Hye-chong said that nearly 50 years have passed since representatives of the North and the South held the joint conference in 1948 and that the country would be reunified certainly in the 90s.

The delegates went to the Patriotic Martyrs' Cemetery in Sinmiri, a suburb of Pyongyang. They laid bouquets in memory of the patriotic martyrs who devoted themselves to the liberation and reunification of the country and observed a moment's silence. And they vowed to devote their youth to the struggle for national reunification, following the will and spirit of the martyrs.

They visited the Pyongyang Maternity Hospital and wrote in the visitor's book that they were moved to see everything dedicated to the women in childbed and babies, the meticulous preparations for any case and loving care.

They hardened their determination to do their utmost to hand a reunified country over to the children.

Commentary Denounces South's Amnesty Measure

SK2908071695 Pyongyang KCNA in English
0501 GMT 29 Aug 95

["A Maladroit Popularity-Hunting Drama" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 29 (KCNA) — The "amnesty and reinstatement measure" taken by the Kim Yong-sam group to mark August 15, the anniversary of Korea's liberation, was aimed at boosting their slumped popularity, says NODONG SINMUN in a commentary today.

Most of the pardoned and reinstated people are general criminal offenders, and the prisoners of conscience who were arrested on "charges" of their struggle for independence, democracy and reunification were excluded, the paper says, and goes on:

If the measure is an "expression of the puppets' will for harmony" as they say, they should release, first of all, patriots who fought for democracy and independence of South Korean society and reunification of the country, deeply concerned about the destiny of the country and the nation.

The deceptive nature of the measure is well illustrated by the fact that the Kim Yong-sam group set free general criminal offenders, continuing to arrest many patriotic-minded students and people who are struggling for independence and democracy of South Korean society and reunification of the country.

The fascist clique have defended the bitterest enemies of the people such as the chief culprits of the Kwangju bloodbath and, worse still, made a clean sweep of their blackest crimes, while putting patriots behind bars. This is an unacceptable challenge to the South Korean people calling for the release of all the prisoners of conscience.

They must stop the crafty, third-rate popularity-hunting move, with which they can fool nobody, and immediately release the patriotic-minded students and people who were arrested on unjustifiable charges.

Students Welcome Hanchongnyon Group

SK2608054195 Pyongyang KCNA in English
0451 GMT 26 Aug 95

[FBIS Transcribed Text] Pyongyang, August 26 (KCNA) — Pyongyang youths and students met here Friday [25 August] to welcome delegates of the South Korean Federation of General Student Councils (Hanchongnyon) under the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon).

The participants in the meeting warmly welcomed with compatriotic feelings the Hanchongnyon delegates, Chong Min-chu and Yi Hye-chong, and the director of the Joint Secretariat of Pomchonghangnyon, Choe Chong-nam.

Addressing the meeting Hwang Ho-yong, vice-chairman of the Korean Student Committee and vice-chairman of the North side headquarters of Pomchonghangnyon, gave a warm welcome to the delegates of Hanchongnyon, who came to Pyongyang at the risk of their lives, out of the ardent desire and patriotic will for national reunification.

"The youths, students and people in the North highly appreciate Hanchongnyon for the dispatch of its delegates to the grand national reunification festival celebrating the 50th anniversary of the country's liberation for the purpose of the country's reunification and the nation's unity," he said.

He extended compatriotic greetings and firm solidarity to the one million students of Hanchongnyon who have devotedly fought for independence, democracy and reunification in the teeth of the authorities' suppression since Hanchongnyon was inaugurated.

He said the youths and students in the North are actively struggling for national reunification in the '90s under the banner of national independence and great national unity.

He called on the youths and students in the North, the South and overseas to wage a vigorous struggle in close unity to strengthen Pomchonghangnyon, defend the nation's sovereignty and achieve national reunification.

Speaking next, Yi Hye-chong said that since the country was divided by outside forces, five decades have passed with the fellow countrymen in the North and the South still remaining divided, unable to meet each other.

"The country will surely be reunified by the struggle of the youths and students in the North and the South," she said, and added:

"We have defined the confederation as the only way of national reunification and resolved to work hard to reunify the country on its basis. What we have to do now is to dynamically advance towards its realization."

"If anyone ask what the future of the country is like, let us tell him to see our looks, youths and students in the North and the South," she said. "There are a million students in the South who are struggling to remove obstacles to reunification and positively greet a new era of reunification."

She called on the youths and students in the North and the one million students of Hanchongnyon in the South to unite closely with each other and take the lead in the vigorous struggle for reunification.

PRC's Jiang Zemin on Developing Friendship

SK2908050295 Pyongyang KCNA in English 0439 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, August 27 (KCNA) — Jiang Zemin, general secretary of the Central Committee of the Communist Party of China and president of the People's Republic of China, laid stress on developing the traditional Sino-Korean friendship, when he met with leading members and actors and actresses of the Pyongyang Wangjaesan Light Music Ensemble on August 27.

He said:

The traditional friendship is existing between the two parties, two countries and two peoples of China and Korea. This friendship was cultivated and kept in bloom by Comrade Mao Zedong and Comrade Kim Il-song and other leaders of the elder generation and has been forged with the blood of the two peoples and overcome ordeals.

The Communist Party and the Government of China will, as in the past, so in the future, make unremitting efforts to consolidate and develop the traditional friendly relations between China and Korea.

Jiang Zemin expressed the belief that under the leadership of Comrade Kim Chong-il, the Korean people will make a steady progress in building the country and achieving independent and peaceful reunification by carrying forward the cause started by President Kim Il-song. The friendship between the two countries and two peoples of China and Korea will shine forever, he noted.

Convinced that the great leader Comrade Kim Chong-il will carry forward and develop the cause of Comrade Kim Il-song, he sincerely wished Korea once again prosperity and development.

He said that the beautiful songs and dances of the artistes of the Pyongyang Wangjaesan Light Music Ensemble fully symbolize the friendship forged with blood between the two peoples of China and Korea.

PRC Vice Minister of Culture Hosts Reception

*SK2908071395 Pyongyang KCNA in English
0433 GMT 29 Aug 95*

[FBIS Transcribed Text] Beijing August 27 [dateline as received] (KCNA) — The Ministry of Culture of China gave a reception in Beijing on August 26 to welcome the China visit of the Pyongyang Wangjaesan Light Music Ensemble.

Speaking at the reception, Xu Wenbo, vice-minister of culture of China, said with pleasure that literary men and artistes of Korea, true to the revolutionary line of literature and art of President Kim Il-song, are finding themselves deep among the masses and entering upon life to create many excellent works encouraging the people's struggle under the leadership of respected Comrade Kim Chong-il and thus actively contributing to the socialist construction of Korea.

The friendship between the Chinese and Korean peoples was personally forged and fostered by Chairman Mao Zedong, Premier Zhou Enlai and President Kim Il-song and it is an inbreakable revolutionary friendship sealed in blood in the joint struggle against imperialism. He said, stressing: Literary men and artistes of China value this great friendship and will make all efforts for this.

Light Music Ensemble Performs in Beijing

*SK2908063095 Pyongyang KCNA in English
0430 GMT 29 Aug 95*

[FBIS Transcribed Text] Beijing, August 27 [dateline as received] (KCNA) — The Pyongyang Wangjaesan Light Music Ensemble gave its premiere at the Beijing Exhibition Theatre on August 27.

Invited there were Jiang Zemin, general secretary of the Central Committee of the Communist Party of China [CPC] and president of the People's Republic on China, Hu Jintao, member of the standing committee of the Political Bureau and member of the Secretariat of the CPC Central Committee, other senior cadres and officials concerned of China.

The performance raised a curtain with the overture "My Country Is Best". The Korean artistes put on the stage the women's duet and pangchang [background song] "Oh, My Sky, My Sea and My Land", dances "A Guest from Comet" and "Sunflower Dance" and other colorful numbers, acclaimed by the spectators.

They also fluently sang the Chinese songs "Socialism Is Hood" and "She Goes to Her Parents' Home" in Korean and Chinese.

At the end of the performance, Jiang Zemin, in company with senior cadres of China, mounted the stage, presented a floral basket to the artistes in congratulation of their successful performance and had a souvenir picture taken with them.

Tianjin Performances Evoke 'Big Stir'

*SK2808111995 Pyongyang KCNA in English
1027 GMT 28 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 28 (KCNA) — The two performances given in Tianjin by the Pyongyang Wangjaesan Light Music Ensemble on a visit to China are evoking a big stir among the people.

Audiences described the performance as a "marvellous hit" and "highest performance with strong national identity and rich modern aesthetic taste."

Papers of China reported that the ensemble, a well-known art troupe, represents modern music of Korea on the highest level.

The ensemble, they noted, consists of fine young dancers and musicians and their representation on the stage is bright and beautiful and the musical accompaniment is so pleasant and swift that it appeals to the audience.

Rich contents of colorful numbers and the powerful accompaniment of electronic musical instruments are all proof of new features of representation and fascinating artistic level of Korean modern young artistes, they said.

The director of the Cultural Bureau of Tianjin, described the ensemble's performances in Tianjin as very successful, adding that such a success could be gained only by the Korean artistes who have been educated and trained by the Workers' Party of Korea under the loving care of a great leader.

The chief of the courtesy department of the bureau of external cultural relations of the Ministry of Culture of China said:

"I have seen performances of many art troupes, but, those of the ensemble are best. Appreciating the performance, I seemed to see the vibrant reality of Korea."

A councillor of the Ministry of Culture of China said:

"Seeing the performance of the ensemble, I realised that art of Korea is the best in the world, and that it is on the highest level that no art in any country can reach."

"I have not thought that art is so wonderful that it appeals to the hearts of people," he said, and continued:

"The ensemble should give performances not only in China but also in many other countries to show the people what value of art is like. [no closing quotation marks as received]

An actor of the Tianjin Opera Troupe said the performance of artistes from Korea seemed to give a vigor to him, adding that the swift and powerful rhythm and light melodies made the audience happy and excited. Li Tianquo [name as received], deputy secretary of the Tianjin Committee of the Communist Party of China, said the traditional friendship between the two peoples of China and Korea was provided and cultivated by the great leader of the Chinese people Comrade Mao Zedong, Comrade Zhou Enlai, Comrade Deng Xiaoping and the great leader of the Korean people Comrade Kim Il-song and it is an invincible one sealed in blood in the struggle against imperialism.

TIANJIN DAILY and WORKERS DAILY and other Chinese papers gave wide publicity to the performances of the ensemble in Tianjin.

Kim Chong-il, Fidel Castro Exchange Greetings

Kim Chong-il Sends Message

SK2808130495 Pyongyang KCNA in English 1106 GMT 28 Aug 95

[FBIS Transcribed Text] Pyongyang, August 28 (KCNA) — The great leader Comrade Kim Chong-il sent a message of greetings to Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party, president of the Council of State and president of the Council of Ministers of Cuba, on August 25 on the occasion of the 35th anniversary of the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Republic of Cuba.

Comrade Kim Chong-il said in the message that the people of the two countries have closely supported and cooperated with each other for the anti-imperialist independence and socialism under the complex international situation over the past 35 years.

The Korean people, he said, extend firm solidarity to the Cuban people in the struggle for defence of the homeland, revolution and gains of socialism and sincerely wish Comrade Fidel Castro Ruz and the Cuban people success in the work for the development and prosperity of the country.

Comrade Kim Chong-il expressed the belief that the traditional relations of friendship and cooperation between the two countries will further strengthen and develop.

Castro Sends Greetings

SK2808130895 Pyongyang KCNA in English 1110 GMT 28 Aug 95

[FBIS Transcribed Text] Pyongyang, August 28 (KCNA) — The great leader Comrade Kim Chong-il received a message of greetings from Comrade Fidel Castro Ruz, first secretary of the C.C. [Central Committee], the Communist Party, president of the Council of State and president of the Council of Ministers of Cuba, on August 16, on the occasion of the 35th anniversary of the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Republic of Cuba.

The message says that the relations of friendship, cooperation and solidarity between the two countries have strengthened and developed for 35 years with support to each other in the staunch struggle for justice, democracy and socialism even under the difficult international situation.

I extend firm solidarity to the just struggle of the Korean people for the peaceful reunification of the country and reassure you of our will to continue to strengthen and develop the relations between the parties, governments and peoples of the two countries, notes the message.

Banquet Marks Anniversary of Ties With Cuba

SK2908100395 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 29 Aug 95

[FBIS Translated Text] The Foreign Ministry arranged a banquet at Mansudae Assembly Hall on 28 August on the occasion of the 35th anniversary of the establishment of diplomatic relations between the DPRK and Cuba. Dose Ramon Rodriguez Varona, Cuban ambassador to our country, and the embassy staff members were invited to the banquet.

Present at the banquet were Comrade Kim Yong-nam, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee, vice premier of the Administration Council, and foreign minister; Choe Ki-yong, chairman of the Education Commission; Yim Sun-pil, vice director of the WPK Central Committee; Kim Yong-il, vice foreign minister; and other functionaries of relevant sectors.

Comrade Kim Yong-nam gave a speech at the banquet. He stated: The establishment of diplomatic relations between the DPRK and Cuba 35 years ago was an important historic event that firmly united our two countries' peoples who are vigorously struggling for sovereignty, independence, and socialism.

He noted that the past 35 years were meaningful days, in which the peoples of the two countries firmly defended socialism by defeating various aggression and interference maneuvers of the imperialists, while overcoming multifold trials and obstacles. He then said: The invincible friendship and unity between the two countries' peoples has dealt a deadly blow to the imperialists and the betrayers of socialism and serves as a great encouragement to the progressive people of the world who aspire after socialism.

He pointed out: Today, the Cuban people have achieved great results in implementing economic tasks in peace time to cope with special circumstances under the correct leadership of respected Comrade Fidel Castro Ruz, supreme leader of the Cuban revolution, while defending the fatherland, the revolution, and socialist gains by smashing various anti-Cuba maneuvers committed by imperialists to isolate and crush the country.

He continued: Our people are happy with all results achieved by the Cuban people, like their own achievements, and extend their absolute support and solidarity to the Cuban people's just struggle.

He then stressed that the DPRK-Cuba friendship prepared and advanced by the great leader Comrade Kim Il-song and respected Comrade Fidel Castro Ruz will last forever.

Next, Ambassador Dose Ramon Rodriguez Varona delivered a speech. Commemorating the 35th anniversary of the establishment of diplomatic ties between the DPRK and Cuba, the ambassador stated: From a historical viewpoint, a period of 35 years is short. However, those years of developing our relations were the intense days of struggle against imperialism, in which we coped jointly with the strong imperialist enemy which was the most aggressive one that had never been known in modern history, and were filled with friendship and revolutionary solidarity.

He continued: Friendship between our presidents, Comrades Fidel Castro and Kim Il-song, served as a decisive factor for strengthening and developing friendship between the two countries. Today, the friendship is being advanced by Comrade Kim Chong-il, the great leader [yongdoja] of the DPRK people.

He also stated: The two countries' relations of friendship and solidarity are firmly based on ideological positions and are expressed vividly at international meetings and in cultural, diplomatic, educational, and all other sectors of social life.

He took that opportunity to appreciate the DPRK Government on behalf of the Cuban Government for repeatedly expressing its solidarity and friendship toward the Cuban people whenever they faced difficulties. He then stressed that the Cuban people will continuously support the just positions that the DPRK adheres to in its struggle for the independent and peaceful reunification of the fatherland.

The participants of the banquet wished the great leader Comrade Kim Il-song, who prepared the immortal foundation of DPRK-Cuba friendship, an eternal life. They toasted to the invincible friendship and unity between the DPRK and Cuba, to the good health and long life of Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, and to the good health and long life of respected Comrade Fidel Castro Ruz, supreme leader of the Cuban revolution.

Dailies Mark Anniversary of Ties With Cuba

SK2908071995 Pyongyang KCNA in English
0516 GMT 29 Aug 95

[FBIS Transcribed Text] Pyongyang, August 29 (KCNA) — Papers here today dedicate articles to the 35th anniversary of the establishment of diplomatic ties between Korea and Cuba.

The papers say the opening of diplomatic relations between Korea and Cuba was a landmark in the overall development of friendly and cooperative relations between the two peoples.

NODONG SINMUN in a signed article entitled "Indestructible Militant Friendship and Unity" says on the occasion the Korean people extend militant and fraternal greetings to the heroic Cuban people who are dynamically moving forward under the uplifted banner of socialism right before the United States.

The article further says:

Over the past 35 years the two peoples have supported to and closely cooperated with each other in the common struggle for the victory of socialism against imperialism; the annals are a long record of historic facts which had a great effect on the strengthening and development of friendship between the two countries.

Korea-Cuba friendship owes its invincibility and solidity to the deep intimacy between the great leader of the Korean people Comrade Kim Il-song and the supreme leader of the Cuban people Comrade Fidel Castro.

The Cuban people are firmly defending socialism under the leadership of the Communist Party of Cuba headed by Comrade Fidel Castro at a time when imperialists are intensifying their campaign to stifle socialist Cuba as never before.

The peoples of Korea and Cuba are class brothers and intimate comrades-in-arms who are taking the lead in anti-imperialist struggle.

To strengthen and develop Korea-Cuba friendship further tallies with the basic demand and interests of the two peoples; it will be very instrumental in inspiring the revolutionary people of the world to greater efforts for independence of humankind, socialism.

The Korean people will as ever extend invariable support to the Cuban people in their struggle and make every possible effort to strengthen and develop Korea-Cuba friendship.

MINJU CHOSON in a by-lined article notes the Korean people hope that the Cuban people will gain fresh success in their future efforts to safeguard the revolution and build socialism.

Kim Yong-nam Meets Ambassadors From Abroad

SK2608053995 Pyongyang KCNA in English 0452 GMT 26 Aug 95

[FBIS Transcribed Text] Pyongyang, August 26 (KCNA) — Kim Yong-nam, vice-premier and foreign minister of the DPRK, met and had a talk with Tulsi Lal Amatya [spelling of name as received], Nepalese newly-appointed ambassador to Korea, who paid a courtesy call on him on Friday [25 August].

The foreign minister also met and had a talk with 'Ali al- Mutawalli Hijazi, ambassador of the Arab Republic of Egypt to Korea, who paid him a farewell call on the same day.

Vice President Meets Egyptian Envoy

SK2808215195 Pyongyang KCNA in English 1520 GMT 28 Aug 95

[FBIS Transcribed Text] Pyongyang, August 28 (KCNA) — Vice- president Yi Chong-ok met and conversed with the outgoing Egyptian ambassador to Korea, 'Ali Hijazi, at the Mansudae Assembly Hall today.

Kim Yong-il, vice-minister of Foreign Affairs, was present there.

Friendship Gathering Includes Mongolian Group

SK2908061495 Pyongyang KCNA in English 0434 GMT 29 Aug 95

[FBIS Transcribed Text] Pyongyang, August 29 (KCNA) — A friendship gathering with a delegation of the Federation of Peace and Friendship Organisations of Mongolia took place in Pyongyang on Monday. Invited there were the members of the delegation led by Chairman B. Ligden and Mongolian Ambassador to Korea D. Byambaa.

Present there were Chon Yon-ok, vice-chairperson of the Committee for Cultural Relations with Foreign Countries, officials concerned, teachers and circle members of the Mangyongdae School Children's Palace.

The participants saw extracurricular circle activities of school children and deepened the feelings of friendship, talking with each other.

They appreciated an art performance given by circle members of the palace.

Pakistani, Tajik Leaders Support Korean People

SK2808151995 Pyongyang KCNA in English 1506 GMT 28 Aug 95

[FBIS Transcribed Text] Pyongyang, August 28 (KCNA) — Prime ministers and a party leader of different countries expressed full support to the just cause of the Korean people.

Benazir Bhutto, prime minister of Pakistan, when she met the DPRK ambassador, said: "The good relations of friendship between the two countries which were forged and developed by the great President Kim Il-song and my father Zulfiqar Ali Bhutto are special relations."

She stressed that the proposal for reunification through confederacy put forward by the great leader Comrade Kim Il-song is a good proposal.

When Dzhamshed Karimov, prime minister of Tajikistan, met a delegation of the Workers' Party of Korea [WPK], he wished the WPK great success in the accomplishment of the socialist cause and expressed the belief that Korea will be reunified according to the proposal for peaceful reunification. Shodi Shabdolov, chairman of the Central Committee of the Communist Party of Tajikistan, when he met a delegation of the Workers' Party of Korea, said that the great leader Comrade Kim Chong-il is wisely leading the Korean revolution and the world movement to rebuild socialism. Comrade Kim Chong-il is the great leader who is carrying forward the chuche revolutionary cause pioneered by Comrade Kim Il-song, he noted.

He expressed the belief that Korea will surely be reunified according to the three principles of national reunification, the ten-point programme of the great unity of the whole nation for the reunification of the country and the proposal for founding the Democratic Confederal Republic of Koryo which were put forward by Comrade Kim Il-song.

Canadian Communist Party Favors Justice Cause

SK2908100795 Pyongyang KCNA in English 0958 GMT 29 Aug 95

[FBIS Transcribed Text] Pyongyang, August 29 (KCNA) — The Communist Party of Canada expressed support and solidarity for the Korean people's cause of justice in the principal political resolution adopted at its 31st congress.

It is noted in the resolution that the United States attempted to increase pressure on the DPRK and justify its military occupation of South Korea under the pretext of "nuclear issue" but met a setback with the DPRK-U.S. framework agreement adopted.

Some forces in U.S. Congress may try to destroy this agreement, said the resolution, urging the anti-imperialist peace forces of the world to heighten vigilance lest the United States should break its promise.

Foreign Organizations' Officials Praise Youths

SK2808114595 Pyongyang KCNA in English 1020 GMT 28 Aug 95

[All names are as received]

[FBIS Transcribed Text] Pyongyang, August 28 (KCNA) — Progressive activists and youth organisation officials of the world are lauding the Korean young people for their loyalty to the party and the leader and their firm defence of the socialist cause.

Marwan Sudah, secretary of Information and Foreign Affairs of the Arab Islamic Democratic Movement of Jordan, said that he was convinced of the victory of the chuche cause when he saw the Korean youth and students visiting the statue of the great leader President Kim Il-song on Mansu Hill and vowing to remain loyal to the leadership of dear Comrade Kim Chong-il, true to the president's behests.

Kenichi Ogami, secretary general of the International Institute of the Chuche Idea, noted that the youth and students of Korea regard it as their lifelong mission to devotedly defend respected General Kim Chong-il, their destiny and the future of the world revolution, and feel the pride and honour of making revolution.

No one in the world can block the way ahead of the heroic Korean youths who are led by the great brilliant commander, and victory and glory are in store for them, he said.

Pallab Sen Gupta, general secretary of the World Federation of Democratic Youth, said: "The Korean young people are devoting their ardour and wisdom in the capital and local areas to carry out enormous construction projects, in hearty response to the call of the party.

"As they are blessed by their great leaders, they have the pride of being a model of the happiest and revolutionary youths in the world".

Narayan Man Bijukchhe, chairman of the Central Committee of the Nepal Worker-Peasant Party, stressed that as long as there are young people who "have armed" with millions of rifles and bombs are firmly defending their leader and country in Korea, any imperialists cannot provoke this country, the fortress and destiny of socialism.

Daily Urges Holding Red Flag High

SK2808095095 Pyongyang Korean Central Broadcasting Network in Korean 0400 GMT 28 Aug 95

[NODONG SINMUN 28 August political essay: "Let Us Hold the Red Flag High"]

[FBIS Translated Text] The Korean revolution is a great and sacred revolution that was cultivated under the red flag and will be inherited and completed under the uplifted red flag. Red flags are flying on this land, which suffered a truly shocking incident that shook the earth and underwent indescribable travails.

How was the past one year we spent after losing the great leader Comrade Kim Il-song out of the blue, the one year when our party and people had to resolutely stand up after crossing the sea of sorrow and tears? And, what have we upheld more highly and more resolutely in the midst of travails and tears of blood?

What does the world see from Korea in great admiration today, when the difficult one year has passed? It sees the Workers Party of Korea's [WPK] revolutionary red flag and its determination to uphold the great leader Comrade Kim Il-song as the eternal leader [suryong] and complete the socialist cause cultivated by the leader [suryongnim] to the end.

A grand mass demonstration took place on 15 August in Hamhung, an industrial city of our country, to celebrate the 50th anniversary of the fatherland's liberation, one of the most meaningful events in our national history. This mass demonstration attracted the attention of people from across the world and won the admiration of numerous people. It was not merely an admiration for the big scale of the demonstration and solemn scenes. It was not a joy only for political circles. That day's demonstration during which numerous people marched while shaking the earth was a historic display of single-hearted unity and a grand display of their revolutionary faith and will, which took place for the first time after they lost the great leader Comrade Kim Il-song.

The reliable working class, which is renowned across the country for its proud revolutionary inclination to do anything the party decides and its brilliant tradition in which it has resolutely defended the party with iron fists whenever the revolution underwent trials; machinery manufacturers of Yongsong; fertilizers of Hungnam; vinalon producers; and miners of Komdok — a total of over 300,000 workers raised shouts, which shook the sky and earth, at that day's demonstration. Those shouts showed throughout the world that our people resolutely and vigorously stood up uniting a hundred times more strongly around their party and leader [yongdoja] during the days of the most sorrowful tragedy and that no one can stop the explosion of this massive strength and the spirit of unity.

The grand march by the hundreds of thousands of people who proudly walked in the same steps during that day's demonstration was a great display of faith and will that emotionally showed before the era and the history that Korea has held the revolutionary flag, the socialist flag, higher after crossing the sea of sorrow. As if to symbolize the invincible unity and the firm faith and will, a forest of red flags were flying in the ranks of demonstrators from beginning to end. That is an extraordinary, emotional scene.

They were red flags that flew everywhere all the time on the road of the Korean revolution. The red flags which flew vigorously in the ranks of demonstrators that day boundlessly impressed tens of millions of people because they represent the faith and will of Korea, which has stood up a thousand times more powerfully in hearty response to the great party after losing the fatherly leader [suryongnim]. The red flags had a distinct color because they became redder due to the tears of blood our people shed.

If tears had weakened the people's hearts, our people, who had shed so many tears after losing the great father might not have been able to stand up again after falling down. However, our people did not fall down but became stronger a hundred or a thousand times.

Our blood tears made the red flag of the Korean revolution redder. Korea held the red flag higher in the midst of blood tears.

The solemn ranks of demonstrators passed through the Hamhumg square in August wave after wave, and this was a display of the invincible spirit of Korea the world is watching today in admiration.

The death of a leader [suryong] is the grueling trial to a party and people that are carrying out a revolution. Not only in view of the history of world's politics, but also in view of the history of the international communist movement, all changes and vicissitudes emerged with the leader's death. Because of this, what was strong becomes weak, one road on which we traversed was divided into two to three roads, and what was red color turned into white. How will the destiny of Korea, the strong fortress of socialism, be after the death of the father of great life? This was the world's extraordinary matter of concern and the focus of the world's politics.

Friends of the world watched us. Reactionaries of the world and all enemies of the revolution were very nervous about Korea, indiscriminately passing around all kinds of speculation and presuppositions as to whether Korea is red, white, or yellow.

However, what Korea showed was neither any trepidation nor change. It was neither white, yellow, nor gray as mentioned by the enemies.

Korea is red and is flapping the red flag higher. After the 100-day central memorial meeting after the death of the great leader Comrade Kim Il-song was splendidly held, NODONG SINMUN, our party's organ, published the great leader Comrade Kim Chong-il's immortal, classical work, "Socialism Is Science."

That the torch which illuminates the future road of mankind like a beacon was burning in great flames amid tears, not on ordinary days, was indeed an admirable, great event. The significance of the publication of this classical work will move the hearts of mankind forever.

Today we speak of the deep will and iron-willed faith of the great General Kim Chong-il who wrote the work word by word with strong faith even amid the difficult situation in which he had to personally surmount the greatest sorrow that human beings have never experienced.

The great leader [yongdoja] Comrade Kim Chong-il has indicated: By publishing the thesis, "Socialism Is Science," I have made it clear that we will defend and consummate to the end the cause of socialism pioneered by the leader [suryong]. This is tantamount to a declaration that my ideology is red.

Our ideology is the invariable red ideology, that is, the great revolutionary ideology of Comrade Kim Il-song. We will not be shaken nor will we change the road. We will resolutely defend and consummate to the end the cause of socialism pioneered by the great leader [suryong].

This lofty will of the great General Kim Chong-il is precisely Korea's solemn answer to the world today.

Our past one year was one year to lift higher this great red banner. It was also one year during which we resolutely vowed this iron-willed faith.

The red flag is the great first will of the fatherly leader [suryong]. It is also the red mind, the singlehearted mind, of our party and people to resolutely defend and adhere to the end the cause of chuche, the cause of socialism, pioneered by the leader [suryong].

Today, when it has lost the fatherly leader [suryong], Korea has lifted up higher the red will, that is, the red flag of the revolution, to further deepen the faith in the popular mass-centered socialism of our own style — which is the leader's [suryong] lifetime cause, achievements, and teaching — and to advance only along the single road of socialism designated by the leader [suryong] while breaking through all sorts of difficulties and barriers.

The red flag! We like the red color and love red-colored banners. There are various flags in the world. The flag which sincerely and vigorously encourages and inspires the development of history is precisely the red flag. The red flag — which emerged on the earth for the first time as a result of the resistance of the oppressed working masses and their struggle for liberation — passed through the first militant (?era) of the working class that became conscious of its historic mission and the heroic periods of upheaval of the socialist revolution and finally has become the banner of the revolution, the symbol of communists' struggle and faith.

The red flag, on which the high dignity of human beings who do not know subjugation and their burning zeal are dyed with thick blood, is the signal post of the most beautiful (?mettle) and hope of communists and the symbol of their firm faith to struggle for their realization, devoting their youth and lives.

Communists have boldly conducted a surgical operation on old and corrupt (?boils) of the world and lifted up the red flag with blood to build a more energetic and vivacious new world.

Because the red flag is so sacred and such a fascinating flag, the Korean communists vigorously sang the Red Flag song which says, "The coward, you may leave if you want to, but we will stay to defend the red flag," as they fell at the enemy's gun bullets and perished on the guillotine in the days of the anti-Japanese revolutionary struggle, and they still love to sing the song today.

We love the beautiful clear red color which sublimates man's ideology, burns his enthusiasm, and encourages him into brilliant ideals, and reject all sorts of base, opaque colors. We hate capitalism, love socialism, and defend the noble and sacred ideals of the red flag.

The red flag must flutter high. If the red flag disappears, the world is turned into an immoral wasteland where injustice and falsehood prevail, where all sorts of philistines and rough-and-tumble men rage, and where immorality and corruption are rampant. Whether we defend the red flag or not determines the fate and future of mankind as well as the success and failure of the cause of socialism and communism.

The WPK is the great defender of the red flag. The WPK solemnly declares that its ideology was, is, and will be red invariably forever in the past, present, and in the future and adheres more firmly to the revolutionary red flag, the banner of socialism, which defeats all sorts of black, yellow, and gray flags that disturb the world, that is as clear as the morning glow in the sky, as thick and pure as fresh blood, and burn in tall flames like the blaze of lava.

The brave hold up the red flag, and the coward hold up the white flag. Many years have passed since the ghost called communism appeared on earth, solemnly declared the liberation struggle of the oppressed working masses, and began its march.

An unheard-of tragedy occurred on the magnificent, great, and beautiful road of the heroic march of communism. The red flag was lowered in many countries where socialism was breathing high. How could this happen? In the eventful history of the international communist movement, we make a weighty and profound conclusion which all who are engaged in the revolution should bear in mind: Those who have strong faith and are brave hold up the red flag, and those who are filthy, vicious, and coward hold up the white flag. The coward commit betrayal and surrender.

Throughout history, all traitors and surrenderers were cowards without exception. Kautsky and Bernstein, who pledged loyalty to Marx once but followed a different road after his death, abandoning the revolutionary's faith, principle, man's conscience and fidelity, became synonymous forever with betrayal in the international communist movement.

When capitalism dominated the world, oppressing the working popular masses with fist-law, these two men did not have courage or audacity to hold up the banner for the liberation of the working class to the end. Their betrayal and treachery was ideological discoloration, an act of the coward who were frightened by the capitalism's counterrevolutionary offensive and made their way into the enemy's bosom.

Today, the advocates of bourgeois rehabilitation who destroyed the socialist system and revived capitalism—the betrayers of the revolution—are an object of the fiercest curse and condemnation before the justice and conscience of mankind. They had been cowards before they were betrayers. At the time when the revolution was triumphant and on the plaza and the meeting place where the red flags formed a forest, they advocated socialism and were jubilant in singing the internationale, but faced with the imperialists' pressure and temptation, they were discouraged, betrayed the revolution and the people, and ruined socialism overnight.

Because the coward who had no faith or volition came in power and abandoned the red flag submitting to the imperialists, numerous people had to suffer from misfortune and mankind was subjected to untold suffering and disaster.

Betrayers are not born because they do not know the justness of the cause of socialism. Socialism is a science and an invariable ideal of mankind. If one abandons one's faith and changes principle because one finds it difficult to carry out the revolution, it becomes betrayal and surrender. Betrayal and treachery—this is the cowardice of submitting to the enemy's pressure and abandoning the red flag, the meanness of losing courage at the arduousness of the revolution and trial and discarding the pledge one made before the red flag seeking one's personal comfort, and the servility of trading the red flag with the white flag afraid to risk one's life. Cowardice is man's greatest shame and betrayal.

Therefore, Allende of Chile, an unswerving anti-imperialist fighter, said to the enemy who enforced his surrender, that surrender is something that a coward does, while loading the last bullet in his automatic rifle.

The red flag is the flame of passion of courageous fighters; is boldness and pluck; and is everlasting, immortal, invariable and invincible soul and faith.

Unless one has iron-willed faith and unswerving willpower and unless one has giant-like boldness and courage with which one can advance history and conquer the world, one will not be able to defend the socialist and communist cause and to arrive at the final point of its victory.

Today Korea soared up in the East as the symbol of faith and courage.

Comrade Kim Chong-il is the supreme incarnation of faith and will who is leading the socialist and communist cause — the cause of mankind for independence — to victory by highly upholding the red flag of revolution.

A certain member of the communist party, who dashed to Pyongyang by seeing Korea — the great General Kim Chong-il's fatherland — as the beacon of hope, after suffering a miserable misfortune, namely the collapse of socialism, in the fatherland of Marxism where the red flag was once flying, wrote:

The first thing I saw while going downtown after arriving at the Pyongyang Airport were the red flags that were flying on scores of trucks in parade carrying soldiers and the people who were warmly welcoming the soldiers.

At this moment, I almost shouted, "Oh, the red flags!" because I keenly sensed that Korea's socialism is still unswervingly advancing thanks to the indomitable might of the entire Korean people who are united with one mind and one intention.

Today, Korea's red flag, flying in the skies of the earth, is the symbol of invincible faith, peerless boldness and unswerving courage of the great General Kim Chong-il. It is the sacred banner which will take the reign of the brilliant future of mankind.

History recorded the crises and times of trial when the people had to overcome with great courage while carrying out the revolution. In the early nineties, socialism collapsed in many world countries one after another and the imperialists loudly talked about their victory as if a new world opened for them. At the time, many people fell into hallucination and confusion, feeling as if axis of the earth was shaking and the direction of history was changing, thus being thrown into a nonplus. Indeed, it was an arduous crisis.

Today, however, our party and our people are victoriously advancing along the single road of socialism by highly upholding the red flag of revolution amid great admiration of the people of the world. While looking back over how we could overcome such arduous crises without any unrest or wavering but rather with more uplifted spirits, we cannot repress admiration for the boundless greatness of the respected General Kim Chong-il.

The decision and faith of the leader [yongdoja] are important in deciding the destiny of a nation and state. If the leader is strong, the people are strong, and if the leader wavers, the people are to waver.

During the grave period when the destiny of socialism and the future of mankind were to be decided, the great leader [yongdoja] Comrade Kim Chong-il, thinking of the destinies of our party and our people, solemnly stated that although the cowards may leave by throwing away the banner of the revolution, we decided to safeguard the red flag of revolution to the end.

"Although the cowards may leave by throwing away the banner of the revolution, we will safeguard the red flag of revolution to the end!" This is the very faith and boldness of the great General Kim Chong-il, who blocked the backward flow that swept the earth and who grasped the flow of history in his own hands. Thanks to his unswerving faith and uncommon boldness, Korea invincibly advanced along the single path of socialism.

The red flag is Comrade Kim Chong-il's faith and philosophy. Our Comrade Kim Chong-il was born in the Paektu forest where the red flag of revolution was flying. He disciplined himself under the red flag which was fiercely flying on the long bloody anti-Japanese revolutionary roads.

The great Comrade Kim Chong-il cherished the red flag of revolution as his ideal, love, faith, and passion. With the vigorous spirit of the red flag, he fostered wisdom and boldness of Paektu. He is the red sun of the revolution which soared in the stage of history.

At the top of Mt. Yongnam, he made the historical pledge to add luster to Korea with the grand ideal and ambition of the red flag.

With the faith and volition of the red flag, he resolutely insulted [tamae hasigo] all sorts of betrayers attempting to harm our party and revolution, and firmly solidified the party, the state, the Army, and the people into a wholeheartedly united red pure body boundlessly loyal to the great leader Comrade Kim Il-song. Thanks to the respected and beloved General Kim Chong-il's gigantic volition and mythical courage, Korea firmly stands an impregnable socialist fortress despite the unheard-of betrayal rampant on earth and the continuous vicious maneuvers of the joint imperialist forces to blockade and crush us.

The difficult and long-term cause of socialism and communism requires the strong-willed brave leaders. Invariably strong-willed and audacious were the leaders who produced the weapon for the liberation struggle of the working class amid the attack and criticism by the numerous reactionaries and ideological enemies, built the first socialist state breaking through the tempest of the revolution, and led the people to victory amid the aggression and siege of the joint imperialist forces.

Korea—which gave birth to General Kim Il-song, the tiger of Mt. Paektu and all-time legendary hero, who made the imperialists tremble with fear in the present century—upholds the great General Kim Chong-il, the general of Mt. Paektu, extinguish the destiny of imperialism and bring forth the ultimate victory of socialism and communism.

The party with strong faith does not discolor, the state with strong faith does not collapse, and the people with strong faith do not fall apart. The iron-willed man Comrade Kim Chong-il—because we uphold him, our party and state are strong, our people are brave, and the banner of socialism, the red flag of the revolution, flutters on earth.

The revolution advances. Overcoming fierce trials breaking through the stern wind of adversity, Korea advances along the single road of socialism and communism with high faith in sure victory. Let us hold up the red flag of the revolution higher with great General Kim Chong-il's iron-willed faith and unequalled audacity.

History will make those who abandoned faith pay due price. To the coward, you may leave if you want to, but we will stay to defend the red flag to the end. We do not know of a different road. The Korean communists, who are the fighters and disciples of the great leader and the respected and beloved General Kim Chong-il, will advance along this road if the party tells them to do so no matter how rugged the road of the revolution may be and even if a mine field lies in their way, and advance along the single road of chuche, the single road of the revolution, to the end. This is the philosophy of the revolution, the philosophy of the red flag of our party.

There cannot be the revolution without difficulties and trials. Ever-victoriousness without sacrifice has never existed and will never exist in history. We do not fear difficulties and trials or sacrifice for the victory of the just cause and for the bright future.

Let the enemy tremble with fear at our red flag, our wholehearted unity with which the entire party membership, all the people, and the entire Army are wholeheartedly united and become guns and bombs with death-defying spirit for the great leader General Kim Chong-il and for the wealth, strengthening, and prosperity of our country, our fatherland!

The imperialists wish our ideology to turn white. Let us firmly defend our ideological fortress of socialism. Let us arm ourselves more thoroughly with the great leader Comrade Kim Il-song's revolutionary ideology and dye the entire society one color with our party's ideology, the great chuche idea, so that we can defeat the imperialists' counterrevolutionary ideological offensive with the revolutionary ideological offensive and crush all sorts of giddy gray and yellow winds with the red hot wind of the revolution.

The enemies fear our wholehearted unity most, and are focusing their spearhead of attack against the nerve-center of the revolution above all to demolish our cause and socialism. Our red flag is the banner for defending the leader [suryong], and the banner of wholehearted unity centered around the leader [suryong].

Let us more firmly solidify our socialist class position with the working class in its core, and let the entire party membership, all the people, and the entire Army become the fortress and shield defending with death-defying spirit the great Comrade Kim Chong-il—our life and destiny.

The red flag flutters vigorously on the bayonet of the revolution. The gun is the eternal companion of the Korean revolution and our comrade which does not change at any time and place.

Let us more firmly grasp the gun barrel and the sword and spear of the class. The red flag is the everlasting banner of our faith, unity, and victory.

We will never forget the truly meaningful remarks that the great leader Comrade Kim Il-song made in his lifetime about the Korean revolution and red flag while looking with deep emotion at the party flag which was vigorously flying on the office building of our party center. The great leader [suryongnim] made impressive remarks as follows:

It was at the foot of Songhwa River in 1926 that we first upheld the red flag of the Korean revolution. At the time, we put forward the establishment of a socialist and communist society in our country as the program of the Down-With-Imperialism Union [DIU], and pledged before the red flag of the revolution to fight to achieve the program by dedicating our lives to it.

I worked diligently without rest my whole life in order to become a sincere son of the people — my great teacher and mother. I emancipated the people from the destiny of colonial slaves by shedding blood, and built with sweat a happy paradise for the people on this land.

However, I have not achieved all the pledges I made before the revolution, the people and the red flag of DIU which flew at the foot of the Songhwa River.

National reunification — the supreme national task — is still laid before us, and the building of the communist society — the supreme ideal society of mankind — is also still laid before us.

The revolutionary road on which we should advance forward is still far away and rugged, and the bright future is demanding great efforts.

The great leader carried the red flag his whole life for freedom and happiness of our people, for everlasting prosperity and development of our offspring in all generations, and for the victory of the popular masses' cause of independence. He left us after handing over this sacred red flag to us.

Although the chuche revolutionary cause is arduous, we must advance along this road to the end. The bright future is demanding great efforts.

May you be courageous, and courageous again! Our party and our people will advance by upholding forever the red flag of the revolution — the great leader Comrade Kim Il-song's banner — in firm unity around the great Comrade Kim Chong-il. We will highly fly without fail the red flag of revolution, which we upheld from the days of anti-Japanese revolutionary struggle, on the peak of the final victory after achieving our great goal.

A new great victory is approaching us. We will highly uphold the red flag forever.

Kim Chong-il on Servicewomen's Sea Training

SK2908105395 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 29 Aug 95

[FBIS Translated Text] Korean People's Army [KPA] Supreme Commander Comrade Kim Chong-il offered guidance [chido hasyossumnida] in sea training [hae-sang hullyon] to the women of the Korean People's Army [KPA]. On 28 August, Comrade Kim Chong- il—chairman of the DPRK National Defense Commission, KPA supreme commander, and the great leader [yong-doja] of our party and people—offered guidance to the KPA women's sea training. Women soldiers stood in line aboard their ships at anchor at the site where the sea training was to occur, filled with a militant spirit and joyful enthusiasm. At 1000 [0100 GMT], KPA Supreme Commander Comrade Kim Chong-il arrived at the site of the sea training, which was prepared in the middle of the vast expanse of water. Instantly, stormy applause and the chanting of "Long live Comrade Kim Chong-il" burst out, and the militant slogan "Let us become guns and bombs defending the respected and beloved supreme commander Comrade Kim Chong-il" rang out over the sea.

KPA Supreme Commander Comrade Kim Chong-il received a report on the reception from the Army unit commander. KPA Supreme Commander Comrade Kim Chong-il was greeted by KPA General Kim Myong-kuk, Colonel General Kim Ha-kyu, Colonel General Pak Chae-kyong, and other commanding officers and political functionaries.

Comrade Kim Chong-il, guided by the Army unit commander, grasped the site of the KPA women's sea training and offered guidance in their long-distance naval maneuvers and diving training [changgori haesang kidonggwa chamsu hullyon].

Upholding our party's military line of self-defense, the women soldiers conducted vigorous sea training, thoroughly demonstrating the might of these one-is-a-match-for-a-hundred brave naval women soldiers who are equipped with quickness and stubbornness and with a physical and technological preparedness that is capable of smoothly carrying out any long-distance naval maneuvers [changgori haesang kidong].

Comrade Kim Chong-il was very gratified that the women soldiers were thoroughly prepared to smoothly carry out their naval combat mission within a short period of time, displaying an indomitable fighting spirit and patience, despite the difficult weather and the disadvantageous weather conditions. He congratulated them on their success.

Comrade Kim Chong-il gave an important programmatic task to the commanding officers and political functionaries of the Army unit for intensifying and developing the women's sea training.

While on the deck of the ship in which he greeted cadres, Comrade Kim Chong-il saw a performance by an art team composed of women soldiers. In the repertoire was the chorus "We Have Been Waiting for You"; the instrumental piece and song "Let the Accordion of Love Play"; a duet called "A (?Half Bottle) Love"; an instrumental ensemble called "The Sound of Lightning at Chong-il Peak"; the solo "Let Us Work More for the Motherly Party"; and the chorus "The Pledge to the Comrade Supreme Commander."

During the performance, the women soldiers sang about parental love and about their pride and self-respect in being brought up strongly as brave women soldiers of the sea, soldiers who are filled with warm emotion and who are overwhelmed by joy and gratitude for having greeted the respected and beloved general whom they had longed to see so much, and which is reflected in the song of the women soldiers' militant and optimistic life in a simple and sincere manner.

The performance was very impressive with its high ideological and artistic features. After seeing the performance, Comrade Kim Chong- il commended the women soldiers for their good artistic activities. On that day, Comrade Kim Chong-il posed for a photograph with the women soldiers.

The commanders and women soldiers of the unit are greatly encouraged and grateful that Supreme Commander Comrade Kim Chong-il visited the site of their sea training despite the humid weather and the wind and waves; gave his personal guidance to their sea training, affording them his parental love; and nurtured unequalled courage amongst them. At the same time, they are filled with burning resolve to defend the respected and beloved general at the cost of their lives.

'Guides' Sea Training

SK2908101195 Pyongyang KCNA in English 1004 GMT 29 Aug 95

["Supreme Commander Kim Chong-il Guides KPA Servicewomen's Sea Training" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 29 (KCNA) — The great leader Comrade Kim Chong-il, chairman of the National Defence Commission of the DPRK and supreme commander of the Korean People's Army [KPA], guided KPA women's sea training on August 28.

He inspected the servicewomen's sea training site. Then, he guided the long-distance sea mobile exercise and diving drill of servicewomen.

The servicewomen unreservedly demonstrated their preparedness as seawomen with quickness and unyielding spirit, each of them being a match for a hundred foes. They had been prepared in physical and technical terms to carry out any long-distance sea mobile task through strenuous sea training in hearty response to the self- reliant military line of the Workers' Party of Korea.

Comrade Kim Chong-il congratulated the servicewomen on their successful training. He noted with great satisfaction that they had fully prepared themselves to fulfill any sea combat task even under difficult weather conditions.

He taught the commanding officers and political workers of the unit how to strengthen and develop women's sea training.

He had a souvenir picture taken with servicewomen.

Further on Sea Training

SK2908103095 Pyongyang KCNA in English 1019 GMT 29 Aug 95

["Comrade Kim Chong-il Guides KPA Servicewomen's Sea Training" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 29 (KCNA) — The great leader of the Workers' Party of Korea [WPK] and the Korean people Comrade Kim Chong-il, chairman of the National Defence Commission of the DPRK and supreme commander of the Korean People's Army [KPA], guided KPA women's sea training on August 28.

Servicewomen were lined up on the warship on the waters for sea training. They were full of militant spirit and cheerful enthusiasm.

At ten A.M. [0100 GMT] Comrade Kim Chong-il arrived at the sea training site on the waters.

The moment, the servicewomen raised a storm of cheers "Long live Comrade Kim Chong-il!" and chanted "Let us be rifles and bombs to defend respected supreme commander Comrade Kim Chong-il!"

The commander of the unit gave a salute to Comrade Kim Chong-il.

Comrade Kim Chong-il was greeted on the spot by General Kim Myong-kuk, Col. Generals Kim Ha-kyu and Pak Chae-kyong and other commanding officers and political workers of the Korean People's Army.

Conducted by the commander of the unit, Comrade Kim Chong-il inspected the servicewomen's sea training site. Then, he guided the long-distance sea mobile exercise and diving drill of servicewomen.

The servicewomen unreservedly demonstrated their preparedness as seawomen with quickness and unyielding spirit, each of them being a match for a hundred foes. They had been prepared in physical and technical terms to carry out any long-distance sea mobile task through strenuous sea training in hearty response to the WPK's self- reliant military line.

Comrade Kim Chong-il congratulated the servicewomen on their successful training. He noted with great satisfaction that with an indomitable fighting spirit and persevering attitude, they had fully prepared themselves in a short span of time to fulfill any sea combat task even under difficult weather conditions.

Comrade Kim Chong-il taught the commanding and political officers of the unit how to strengthen and develop servicewomen's sea training.

He, accompanied by the senior officials, saw an art performance given by servicewomen on the deck of the warship.

Put on the stage was a lively program including choruses "We Have Waited for You" and "Pledge to the Supreme Commander."

The performers were very happy to meet respected General Kim Chong-il whom they yearned to see, awake or asleep. They sang of his paternal love as well as their pride and honor of having grown to be dependable women sailors. And they vividly represented militant and optimistic lives of servicewomen.

For its high ideological and artistic level the performance left deep impressions on the audience.

At the end of the performance Comrade Kim Chong-il congratulated the servicewomen upon their successful performance.

He posed for a photograph with the servicewomen.

The commanding officers and servicewomen of the unit were greatly encouraged and excited by the fact that Comrade Kim Chong-il visited them in a military training at deep sea, regardless of hot weather and rough waves, personally directed their exercises, showed paternal love for them and gave them unparalleled grit. They were firmly determined to defend the respected general with their lives.

Kim Chong-il Said To Become WPK Head in Oct

OW2808131895 TOKYO SHIMBUN in Japanese 27 Aug 95 Morning Edition p 1

[FBIS Translated Text] Secretary Kim Chong-il will become nominally and virtually the top leader of North Korea by assuming the post of general secretary of the Workers' Party of Korea [WPK] shortly before 10 October, the 50th anniversary of the founding of the WPK. This was disclosed on 26 August by a Foreign Ministry source. Another source familiar with Japan-North Korea relations has also disclosed that a massive celebration is planned to be held in Pyongyang on 10 October, adding that "the possibility of Secretary Kim assuming the post of WPK general secretary on 10 October is high."

Meanwhile, Secretary Kim's assumption of the presidency of North Korea is expected to be postponed until after the 47th anniversary of the founding of the Democratic People's Republic of Korea, which falls on 9 September. Whether he will assume the post of WPK general secretary and the presidenncy still remains unclear. The possibility is growing, however, that the presidency will remain unfilled after October with a vice president acting as the president.

Some have assumed that Secretary Kim would assume the presidency of North Korea before 9 September. The Foreign Ministry source and the source familiar with Japan-North Korea relations pointed out that 1) North Korea has shown no signs of convening a session of the Supreme People's Assembly, which is mandated to elect the president; and 2) the celebration that the General Association of Korean Residents in Japan [Chongnyon] plans to hold at a Tokyo hotel on 14 September, has been found to have nothing to do with Kim's assumption of the presidency.

The cerebration to be held in Pyongyang on 10 October is said to far exceed the size of the celebration held in Hamhung, an industrial city in the eastern coastal area of North Korea, to mark the 50th anniversary of the liberalization of the fatherland with 300,000 people participating. The source familiar with Japan-North Korea relations said, "The Hamhung cerebration was held to prepare for the Pyongyang cerebration."

The general secretary is elected by the congress of the WPK, and the WPK congress is announced one month before it is held. The source familiar with Japan-North Korea relations said, "Depending on circumstances, the general secretary can be elected at a closed session of the WPK Central Committee in place of a WPK congress." As a result, an unexpected announcement of Kim's assumption of the post of the WPK general secretary cannot be ruled out at home and abroad.

Songs Extol Kim Il-song, Kim Chong-il

SK2808053095 Pyongyang KCNA in English 0428 GMT 28 Aug 95

[FBIS Transcribed Text] Pyongyang, August 28 (KCNA) — Youths and students in Pyongyang met to sing songs on Sunday in celebration of the Youth Day (August 28).

At the meeting which began with a poem and chorus "The Leader Is Always With Us" young men and women sang the praises of the revolutionary exploits and greatness of the great leader President Kim Il-song who led them along the straight road of victory and glory.

Put on the stage were a female trio and pangchang [background song] "Good Fortune of Korea," a dialogic poem "Youth Blessed in the Embrace of the Respected General" and other colorful numbers, which represented the pride and happiness of the Korean people and youths who hold in high esteem the great General Kim Chong-il who has the same idea, leadership and virtues as President Kim Il-song.

Those present hardened their revolutionary will to hold in high esteem Comrade Kim Chong-il, a peerless brilliant commander and the greatest of great men, in the van of revolution and carry to completion chuche socialism down through generations, while hearing the songs "We Are Revolutionary Successors" and "8 Million LSWYK Members Are Rifles and Bombs."

Kim Chong-il Thanks Officials, Working People

SK2908061595 Pyongyang KCNA in English 0426 GMT 29 Aug 95

[FBIS Transcribed Text] Pyongyang August 29 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to the officials and employes of Tumangang united station, a worker of the Yesan texile combine Kim Kwng-sik, a worker of the Pyongtang greenhouse farm Pak Sun-nyo and her husband Kim Sang-ho and a political officer of the Kim Sok-yul unit of the Korean People's Army Sin Pu-il for the meritorious services they had made for society and the collective.

Comrade Kim Chong-il also thanked the officials, workers and technicians in Tongdaewon District, Pyongyang, an apprentice of the orthopedic hospital of the Red Cross general hospital of Korea Om Sung-mi and many other officials, working people and servicemen for their contributions to the implementation of the party's revolutionary economic strategy and the promotion of people's health.

Kim Chong-il Thanks Hamhung Party Members

SK2908063195 Pyongyang KCNA in English 0450 GMT 29 Aug 95

[FBIS Transcribed Text] Pyongyang, August 29 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to party members, working people, school children and students in Hamhung city, South Hamgyong Province for their successful celebrations of the 50th anniversary of national liberation.

They had successfully held a national meeting, mass demonstration, evening dance and art performance to celebrate the 50th anniversary of national liberation with high degree of political enthusiasm and, before celebrations, arranged the city well and cultural [as received] to suit industrial city.

A thanks-conveying meeting took place Monday at Hamhung Square with the participation of some 100,000 citizens.

The speakers at the meeting said the celebrations could be held with success, because respected General Kim Chong-il guided celebrations in detail down to scale, form and content.

They appealed to all officials and working people to uphold his leadership with loyalty and effect a great upswing in socialist economic construction.

Kim Il-song's '10-Point Programme' Studied

SK2908100895 Pyongyang KCNA in English 1001 GMT 29 Aug 95

[FBIS Transcribed Text] Pyongyang, August 29 (KCNA) — A seminar on the great leader President Kim Il-song's famous work "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" was held in Katmandu.

In his report, Manik Lal Shresta, chairman of the Nepal-Korea Friendship Association and director of the Nepal Institute for Chuche Studies, said the 10-Point Programme advanced by President Kim Il-song is an absolutely reasonable way of national reunification, which is acceptable to anyone.

The reporter stressed that Korea must be reunified independently, peacefully and on the principle of great national unity without foreign interference, as indicated by President Kim Il-song.

Seminars on this work took place at the Ropcha Group for the Study of the Chuche Idea in Russia, the Poland-Korea Association, Benin University in Togo and a cultural centre in Dar es Salaam.

A lecture on the work was given at the War Veterans Association of Tanzania.

Youths, Students Lay Flowers at Statues

SK2908020295 Pyongyang KCNA in English
1523 GMT 28 Aug 95

[FBIS Transcribed Text] Pyongyang, August 28 (KCNA) — Youths and students laid floral baskets before statues of the great leader President Kim Il-song in different parts of the country today, youth day.

Placed before his statue on Mansu Hill were bouquets and floral baskets in the name of the Central Committee of the League of Socialist Working Youth of Korea (LSWYK), universities, colleges, organs, industrial establishments, cooperative farms, senior middle schools and LSWYK organizations of units of the Korean People's Army.

The youths and students bowed before the statue in deep reverence for their fatherly leader, President Kim Il-song.

Many young men and women of various social strata also visited his statues at Kim Il-song University, Kim Il-song Military University, the Mangyongdae Revolutionary School, the Korean Film Studio and other places in Pyongyang to pay homage to him.

In local areas, too, young people and students called at the statues of the respected leader President Kim Il-song to lay floral baskets and bouquets and make bows.

'Young Vanguards' Pledge Loyalty at Square

SK2908071495 Pyongyang KCNA in English
0447 GMT 29 Aug 95

[FBIS Transcribed Text] Pyongyang, August 29 (KCNA) — Youth day (August 28) was significantly observed in Korea.

On this occasion, a meeting of young vanguards was held at Kim Il-song square on Monday to take a pledge of loyalty.

Present there were Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, and other senior party and government cadres in company with tens of thousands of youth from all walks of life and students in Pyongyang.

A ceremony took place at the meeting.

Open cars carrying flags bearing portraits of the great leader President Kim Il-song and the great leader Comrade Kim Chong-il entered the meeting place, escorted by motorcycles.

The participants loudly responded with shouts of "young vanguard" to the slogan "Let Us Become Young Vanguards Remaining Unfailingly Loyal To the Great Leader General Kim Chong-il!"

Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea, made a report at the meeting.

He said:

Such young people as the Korean youth who live and struggle with their own holiday under the deep love and trust of the era and the people can be found nowhere in the world.

The great honor and pride of the Korean young people is entirely a proud fruit borne by the great idea of the fatherly leader President Kim Il-song and the respected general Kim Chong-il, who attach importance to youth, and their wise guidance.

As the Korean young people are holding in high esteem the respected general who is the same as President Kim Il-song in idea, leadership and traits and who most loves and trusts them, they have become the happiest, honored generation blessed with great leaders down through generations in the world.

The reporter referred to the pledge of all the young people and students to further strengthen their ranks into a body with pure ideology, a steel-like rank filled with only the chuche idea and vibrating with the faith in socialism so as to become reserve combat units of the supreme commander Comrade Kim Chong-il for defending him at the risk of their lives as eight million rifles and bombs and 16 million hand grenades.

He stressed the need to fully devote youthful strength and wisdom to performing great feats in labour and achieving many excellent scientific and technological successes truly conducive to socialist construction, on the occasion of the 50th anniversary of the foundation of the Workers' Party of Korea.

Young people from all walks of life made speeches.

A resolution was adopted at the meeting.

Similar meetings took place in all provincial seats, cities and counties on Sunday and Monday.

Dancing parties of youth and students were held in Pyongyang, all provincial, city and county seats on Monday evening.

Meanwhile, organisations of the League of Socialist Working Youth of Korea at all levels held colorful events including publication of extra issues of wallpapers, sports games and wind instrument music contests on the occasion of youth day.

Pak Song-chol at Youth Resolution Meeting

SK2908100595 Pyongyang Korean Central Broadcasting Network in Korean 0758 GMT 28 Aug 95

[FBIS Translated Excerpt] We now begin live coverage of the Youth Vanguards' resolution meeting of loyalty to follow the great leader's [suryong] will and better uphold the respected and beloved General Kim Chong-il. Here is Kim Il-song plaza. [passage omitted on the description of the venue]

Entering the rostrum are Comrade Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and vice president; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and chief of the General Staff of the Korean People's Army; Comrade Kye Ung-tae, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea [LSWYK]; and concerned functionaries, LSWYK functionaries, and exemplary youths and students. [passage omitted]

University Graduate Volunteers for Mine Work

SK2908093595 Pyongyang Korean Central Television Network in Korean 1100 GMT 29 Aug 95

[FBIS Translated Text] At a time when youths throughout the county are rushing into difficult and arduous sectors of socialist construction on the occasion of the meaningful Youth Day designated personally by the great leader [yongdoja] Comrade Kim Chong-il, Comrade Choe Yong-nam, a graduate of the Kim Hyong-chik University of Education, recently volunteered to advance to the Yongdae mine.

He was resolved to go to the Yongdae mine, following his father, and to contribute to enriching our country, our fatherland, by increasing coal production.

Respected and beloved General Kim Chong-il extended his great trust and love to him, reading his letter expressing his determination.

The teaching staff and students of the university warmly saw him off as he left for the mine with the ardor of youth.

Correction to People Volunteer for Rural Areas

SK2908020495

[Corrected version of item headlined "People Volunteer To Move to Rural Community" published in the 28 August EAST ASIA Daily Report on page 38; explanatory notes describe differences from initial FBIS version]

[FBIS Editorial Report] Pyongyang Korean Central Television Network at 1100 GMT on 25 August carries a one minute news report on a public security officer in Pyongyang volunteering to relocate to a rural community. The report says: Not long ago Comrade Yu Kyong-il, a public security officer at the Public Security Detachment of Sosong-kuyok, Pyongyang City, volunteered to advance to a socialist rural area together with his family. The report says: "Comrade Yu Kyong-il, who has grown up to become a reliable public security officer amid the bosom of the fatherly leader [suryong] and the respected and beloved General Kim Chong-il, vowed his resolution of loyalty before his departure." [adding dropped begin, end quote marks to passage in initial FBIS version]

The report carries Yu Kyong-il's remarks on his departure which say: "Following [adding dropped begin quote marks to passage in initial FBIS version] the lifetime teachings of the fatherly leader, I am leaving for the land of Chongsan, where the leadership of the fatherly leader and the respected and beloved General Kim Chong-il dwell. I am resolved to give joy to the respected and beloved supreme commander General Kim Chong-il by achieving a bumper year in the land of Chongsan."

Pyongyang Korean Central Television Network in Korean at 1100 on 26 August carries an under-minute news report on public security officer Yu Yong-kon of the Sariwon Public Security Detachment volunteering to advance to a socialist rural farm together with his family, followed by Yu Yong-kon's remarks, which say: "Proceeding from my single desire to uphold our general with rice and from my determination to volunteer to advance into the socialist rural community, I had sent a letter containing this humble will of mine to the great General [Kim Chong-il]. The respected and beloved general gave me the great benevolence of accepting and understanding the letter. I firmly vow to give the joy of a bumper harvest every year to the great leader General Kim Chong-il in order to repay this great benevolence."

KCNA Reports on Youth Day Observations

SK2908015795 Pyongyang KCNA in English
1519 GMT 28 Aug 95

[FBIS Transcribed Text] Pyongyang, August 28 (KCNA) — Korea observes August 28 as the youth day every year.

On this occasion, the Korean young people are firmly determined to staunchly struggle to accomplish the chuche revolutionary cause, true to the behests of the great leader President Kim Il-song who glorified the history of the Korean youth movement, looking back on his immortal feats.

The Korean youth movement was started by him and has traversed the road of brilliant victory.

He formed the young communist league of Korea on August 28, 1927 during the anti-Japanese revolutionary struggle and aroused the young people to the sacred struggle for national liberation.

He founded the Democratic Youth League of Korea in January 1946 after the liberation of the country on the basis of the rich exploits and experience of the youth movement he established during the anti-Japanese revolutionary struggle and renamed it the League of Socialist Working Youth of Korea [LSWYK] in May 1964 to meet the requirements of the developing reality.

In order to develop the youth organisation into a powerful revolutionary organisation, a militant organisation which struggles for socialism and communism and further enhance its role, he indicated the orientation and ways for strengthening the youth work at the fifth Congress of the Democratic Youth League, the national youth conference and other conferences.

He stressed the need to develop the Korean youth movement onto a higher stage in "Young People Must Accomplish the Revolutionary Cause of Chuche, Upholding the Leadership of the Party", his letter to the 8th congress of the League of Socialist Working Youth of Korea which was held in February 1993.

The Korean young people have grown to be vanguards of revolution, the dependable heirs to the Workers' Party of Korea, under the wise guidance, deep trust and loving care of President Kim Il-song. They have performed brilliant feats in socialist construction. Industrial establishments, power stations, coal and ore mines, cooperative farms, dwelling houses, monumental edifices and other assets of eternal value are associated with the wisdom and ardour of the young people.

There are in the proud annals of the Korean revolution which has victoriously advanced pulling through bloody road known and unknown young heroes including Kim Hyok, Cha Kwang-su, Kim Chin, Yi Su-pok and Kim Kwang-chol who laid down their precious lives for the party and the leader, the country and the people.

The Korean youth movement is now being strengthened and developed onto a higher stage by the great leader Comrade Kim Chong-il.

Comrade Kim Chong-il has paid deep concern to the youth movement, attaching great importance to the role of the young people in the revolution and construction. He set the day when the young communist league of Korea was formed as the youth day and sent a historical letter "Young Men and Women, Be the Vanguard Unfailingly Loyal to the Party and the Leader" to the young people throughout the country and the officials of the LSWYK on the occasion of the first youth day, in August 1991.

The Korean young people are now vigorously advancing to accomplish the chuche revolutionary cause, rallied around Comrade Kim Chong-il in one mind as the first and second generations of the revolution remained unfailingly loyal to the party and the leader.

Rally Held To Mark Construction of New Dam

SK2908081395 Pyongyang Korean Central Broadcasting Network in Korean
0100 GMT 29 Aug 95

[FBIS Translated Text] According to our party's grand idea on remaking nature, a dam will be constructed in Yono District, Mundok County. When the construction of the new dam in Yono District's open sea is completed, some 350-chongbo paddies in Yono District, including the Soho and Tongnim Cooperative Farms in Mundok County, will no longer suffer flood damage when the sea rises, and tidal land of about 550 chongbo will become rice paddies or dry fields.

On 27 August, the working people of South Pyongan Province held a rally at the construction site to hasten the dam construction in Yono District, upholding our party's intent.

Present at the meeting were Comrade So Yun-sok, member of the Political Bureau of the Workers Party of Korea Central Committee, the responsible secretary of the South Pyongan Provincial Party Committee, and the chairman of the South Pyongan Provincial People's Committee; Kim Man-song, chairman of the South Pyongan Provincial Administrative and Economic Committee; Kim Nak-hui, chairman of the South Pyongan Provincial Rural Economic Committee; other functionaries of concerned sectors; builders; and workers in Mundok County.

Following Comrade So Yun-sok's report, speeches were made. Then a resolution was adopted.

After the meeting, the builders and supporters set out with tens of tug boats [kkulppae] loaded with stones and vigorously carried on the dam construction.

Foreign Publications Carry Articles on North

SK2808152495 Pyongyang KCNA in English 1509 GMT 28 Aug 95

[FBIS Transcribed Text] Pyongyang, August 28 (KCNA) — The Sweden-Korea Friendship Association published a special issue of the magazine "INFORMATION OF KOREA" on the first anniversary of the death of the great leader President Kim Il-song and the 47th anniversary of the foundation of the Democratic People's Republic of Korea.

The magazine prints a picture of the great leader Comrade Kim Chong-il cutting a red tape, solemnly declaring at home and abroad the opening of Kumsusan Memorial Palace where President Kim Il-song is preserved in state.

It also carries "In Memory of President Kim Il-song", "Improvement of Living Standard in the DPRK" and other articles.

The Japan-Korea Society for Scientific and Educational Exchange printed bulletin No.9 on the first anniversary of the death of President Kim Il-song.

Carried in the bulletin is a picture of President Kim Il-song.

Under the title "On the First Anniversary of the Death of President Kim Il-song" the bulletin carries articles headlined "Eternal Life-Kumsusan Memorial Palace, Supreme Holy Land of Chuche" and "Solidarity With the Korean People Who Are United Close Around His Excellency Kim Chong-il."

Efforts To Increase Power Plant Output Noted

SK2508114895 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 24 Aug 95

[FBIS Translated Text] Electric power producers at hydroelectric power plants across the country, who are vigorously moving toward the grand October festival site by loudly beating the drum of the revolution, are effecting an unprecedented innovation in power production these days. Chu Tong-il, vice minister of the Ministry of Power Industry; and Kim Yong-tal, director of a bureau of the ministry, who met station reporter Kim Myong-chol, said:

[Begin recording] [Chu] Electric power producers at hydroelectric power plants across the country, who are thoroughly implementing the party's revolutionary economic strategy with the impending 50th anniversary of the founding of the party, are regularizing power production at a higher level with a high sense of loyalty by loudly beating the drum of the revolution, thus effecting innovations in power production.

Electric power producers at hydroelectric power plants across the country — who have constantly struggled for a new victory while showing loyalty and filial piety as befitting the fighters of the great leader [yongdoja] Comrade Kim Chong-il — not only have registered high achievements in electric power production during the month of July, but are also registering high achievements every day in August. Thereby, they are continuously lifting up the flames of innovation dynamically. As a result, the daily electric power production in August has registered the highest record unprecedented in recent years.

Hydroelectric power plants across the country where the mettle of creation and innovation is spreading high in the sky have ensured all reservoirs filled with water all the time in order to increase electric power production.

[Kim Yong-tal] That is right. These days, functionaries of the power industry sector and functionaries at power plants throughout the country have properly carried out organizational work for electric power production militantly in conformity with their specific situation. As a result, the sound of the drum of the revolution is becoming louder, and the masses are seething.

Electric power producers at Changjagang power plant have given priority to maintaining the dam and repairing the watergate to ensure the reservoir is filled with water to the maximum. At the same time, they have operated all generation facilities at full capacity. Thus, they have registered unprecedented successes in electric power production.

The 17 March hydroelectric power complex which has effectively utilized even one drop of water by [words indistinct], the Taechon hydroelectric power complex, Taedonggang power plant, Changjingang power plant, and other hydroelectric power plants throughout the country have been effecting collective innovations and, thus, smoothly sending electricity to various sectors of the national economy.

We will, in the future, too, ensure all reservoirs are filled with water, properly plan and coordinate technical management of generation facilities, and actively wage a massive struggle to increase the effectiveness of [word indistinct]. Thus, we will continue to maintain electric power production at a high level. [end recording]

Plant Increases Export Garments Production

SK2908091795 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 27 Aug 95

[FBIS Translated Text] Party members and workers at the Songchongang Garment Plant, who have unanimously risen up in compliance with the party's trade-first policy, keep successfully fulfilling their daily plans, which were set high in order to produce a quantity of export garments.

Workers at the Nos. 2 and 4 shops are overfulfilling their daily plans for export garment production by 1.2 to 1.3 times by accepting advanced work methods and raising the utilization rate of their facilities.

Meanwhile, technicians and workers in charge of cutting garments are also increasing the extraction rate of their cutting by creating and accepting advanced cutting methods.

South Korea

Daily Criticizes U.S. 'Trade Offensive'

SK2908052495 Seoul MAEIL KYONGJE SINMUN in Korean 28 Aug 95 p 5

[Article by reporter Chang Kyong-tok]

[FBIS Translated Text] The waves of the relentless U.S. trade offensive continue to plummet the ROK market. As though the United States believes that it can open the door to the market by simply knocking on it, the waves of U.S. trade pressure have beat on all business sectors, including the goods, financial, and service markets.

The United States succeeded in inducing the ROK to make important concessions following negotiations held since the beginning of this year on approving communication equipment models and improving systems concerning the food circulation period and the clearance of imported agricultural products. As soon as negotiations on these issues were concluded, the United States began to prepare thorough strategies to lower ROK barriers to the import of U.S. automobiles, medical equipment, and agricultural products. In accordance with the U.S. business circles' request, the U.S. Trade Representative will review the ROK's systems and procedures for importing foreign automobiles, medical equipment, citrus fruit, and almonds, to determine whether or not the ROK should be designated as a country of unfair trade practices, based on the U.S. trade law Super 301.

In particular, the ROK came to face intense U.S. trade pressure to open the ROK automobile market following the conclusion of the U.S.-Japan negotiations on problems concerning automobile trade in June. The United States finds the ROK market attractive because while the competitive strength of the ROK motor industry is inferior to that of Japan's, the market share of foreign automobiles is very low in the ROK. For these reasons, the United States believes that its pressure to open the ROK market will have positive results.

The ROK and the United States were supposed to hold intensive discussions on expanding the ROK's automobile market opening at a vice ministerial economic consultation meeting originally slated for early August. However, because the United States has postponed the meeting until November for certain reasons, the issue will be handled by the ROK-U.S. working-level trade committee which will convene in September or October. It seems certain that the issue will head directly for the negotiating table, rather than be a topic of simple discussion.

Insisting that the ROK's special excise tax system, which heavily taxes large cars with engine displacement of 2,000 cc and above, impedes U.S. car sales, as U.S. cars are large, the United States is demanding the amendment of our country's taxation system. In addition, the United States is also demanding the application of the installment financial system to foreign companies, lowering of tariffs, and a drastic simplification of the system of approving equipment models and the safety inspection system.

Regarding the U.S. demands, the government has expressed a strong position that it may improve the model approving system and the safety inspection system, but that it cannot adjust the tariff and special excise tax systems or apply the installment financial system to foreign companies because of the country's tax and financial policies.

As a result, war clouds hang over the upcoming ROK-U.S. talks on the automobile issue. The U.S. Trade Representative has already evinced its fighting spirit by informing media of its policy to bring a lawsuit with the World Trade Organization against the ROK's import barriers to foreign automobiles.

It is also expected that the United States will continue to make a harsh trade offensive aimed at the ROK's medical equipment market, whose volume of sales is expected to exceed $1 billion this year. At the same time, the United States will most likely heighten its pressure to expand the ROK's huge agricultural products import market. The United States has shelved the issue of protecting intellectual property rights so that it can use it as a card to pick a quarrel with us if necessary.

With regard to the U.S. attitude, the ROK Government has made it clear that it will adhere to its strong position in trade negotiations with the United States. A high-level official of the Foreign Ministry expressed the government's strong attitude toward the negotiations, saying: "We cannot help but have a strong attitude toward trade negotiations with the United States in accordance with voices at home and abroad calling for stronger measures to cope with trade issues."

During recent negotiations on revising an ROK-U.S. memorandum of understanding on tobacco trade, the United States conceded its vested rights to a certain degree. However, some people view the U.S. concession as a long-term strategy to demand that the ROK make more concessions in future negotiations. Anyhow, the United States is insisting that since the ROK achieved national industrialization and successful economic growth by relying on the U.S. market, it should now repay its "debt" by opening up its closed market.

Vice Foreign Minister Meets U.S. Congressman

SK2908030495 Seoul YONHAP in English 0222 GMT 29 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 29 (YONHAP) — Vice Foreign Minister Yi Si-yong Tuesday met with the chairman of the U.S. House of Representatives Subcommittee on Asia and the Pacific Doug Bereuter to discuss a variety of bilateral issues, a Foreign Ministry spokesman said.

Yi and the Republican representative from Nebraska shared the view that South Korea and the United States need to maintain close cooperative ties in order to effectively cope with any possible development on the Korean peninsula stemming from the severe economic plight of the North, the spokesman said.

Evaluating that President Kim Yong-sam's state visit to the United States in late July was a great success, the two agreed to make efforts to create a friendship association of lawmakers from both countries which will serve to improve relations between them.

North 'Connections' With U.S. Koreans Viewed

SK2808145595

[FBIS Editorial Report] Seoul CHUNGANG ILBO in Korean continues publishing a series of feature articles, under the title "DPRK's Connections Within the United States," written by special reporter Kim Song-chin from Washington. The fifth of seven installments is a 1,200-word article carried on page 8 on 23 August, under the sub- title, "DPRK Flag's Entry Into Washington." Noting that DPRK flag will fly in the skies of Washington "before long" because DPRK-U.S. liaison offices will open in Pyongyang and Washington "soon," the article states that the opening of the liaison offices will be a historic occasion for establishing the "basic camp" for officially liquidating hostile relations between the two countries. The article points out that unlike its earlier attitude, the DPRK has been recently readjusting the pace of the opening due to various reasons, including "economic difficulties in finding an appropriate site" and DPRK's internal political situation, while the U.S. Government is stating that the opening will be possible only if "technical problems are resolved." However, the article points out that the most persuasive reason for the DPRK delay is its "domestic political situation" which is causing the opening of liaison offices to be postponed until November, because Kim Chong-il will officially take over power in early October. Regarding the time required for establishing complete diplomatic relations after liaison offices are opened, the article presumes that at least two or three years will be necessary, because preconditions, including the improvement of North Korea's human rights and the suspension of missile exports and terrorist support, should be met before the establishment of diplomatic relations. Noting that the impact of the DPRK flag flying in Washington to Korean residents in the United States will be "enormous," an unidentified Korean in Washington is cited as saying that "in view of North Korea's difficult economic situation, some Korean residents have even expressed their willingness to shoulder part of the expenses needed to maintain the North Korean liaison office in Washington."

CHUNGANG ILBO on 24 August publishes on page 8 the 1,100-word sixth of the seven installments, under the sub-headline, "The Atlanta Olympics." Referring to accelerated preparations for the 1996 Olympics in Atlanta, the article quotes the secretary of the DPRK Olympic Committee stating in a meeting with U.S.-residing Korean journalists in Atlanta, that "with the improvement in DPRK-U.S. relations, the DPRK will participate in the forthcoming Olympics," thus revealing an intention to assume the Olympics as an occasion for improving DPRK-U.S. relations.

In addition, the article notes that North Korea is attempting to take the best advantage of sports exchanges for renewing and propagandizing its "damaged image" in the world because of its nuclear development, father-son power succession, missile exports, and the like. At the same time, it adds that participation in the Olympics would be very effective means for North Korea to consolidate its internal unity with Kim Chong-il as its center. The article says it is highly likely that North Korea will organize a large-scale cheering group composed of pro-DPRK figures living overseas for DPRK athletes attending the Atlanta Olympics. The article notes that "the Atlanta Olympics will be clearly another occasion for North Korea to 'land in the United States' following the establishment of liaison offices."

CHUNGANG ILBO on 27 August publishes on page the 1,200-word seventh of seven installments under the sub-title, "Will a Second Chongnyon [General Association of Korean Residents in Japan] Emerge in the U.S.?" Regarding the people's doubt as to whether a Chongnyon-like pro-DPRK organization will be formed in the United States, the article refers to many people's view that the creation of such organization will not be possible, because of "premature conditions" and "trifling moves among U.S.-residing Koreans" favoring such organization, emphasizing they no longer believe that North Korea is a socialist paradise. The article also observes that the formation of Chongnyon was possible because North Korea could support Korean residents in Japan but its support for Koreans in the United States is, in actuality, impossible, referring to remarks of a Korean in Los Angeles that "North Korea today is too poor to give any favor to Koreans in the United States." It continues saying that another factor hindering the formation of a pro-DPRK and pro-socialism organization in the United States is that "the liberal democratic system is firm in the United States and Korean residents there are members attached to this system."

Nevertheless, the article concludes, that North Korea will certainly persistently continue its efforts to form pro-DPRK circles among Korean residents in the United States to implement its strategy toward the United States.

Hyundai Firm Wins Contract With Citicorp

SK2508021995 Seoul THE KOREA TIMES in English 25 Aug 95 p 8

[FBIS Transcribed Text] Axil, an incorporated firm of Hyundai Electronics Industries in the United States, has concluded an agreement with financial giant Citicorp to provide 200 medium-sized work stations.

The company won the order in competition with Sun and other world renowned work station manufacturers.

Defector on Nuclear Facilities in Chagang

SK2908023595 Seoul CHUNGANG ILBO in Korean 28 Aug 95 pp 1-2

[FBIS Translated Text] The location of nuclear facilities where it is believed plutonium, nuclear warheads, or facilities for manufacturing nuclear warheads are concealed has been revealed for the first time. The nuclear facilities are located in the Kimdangol area between Mt. Changdae (height: 1,182 meters) and Mt. Mumyong (height: 1,161 meters), in Changdong, Tonghung-ri, Tongsin County, Chagang Province (formerly North Pyongan Province). Its coordinates are 40 degrees and 22 minutes north latitude and 126 degrees and 32 minutes east longitude.

Kang Myong-to (37), North Korean Premier Kang Song-san's son-in- law who defected to the ROK in May last year, provided this information for the first time, and the ROK and U.S. intelligence authorities have confirmed the location of these facilities. In his serial articles entitled "Kang Myong-to's Story on His Escape," which were carried by CHUNGANG ILBO last April, he said that while lost and wandering in a local area, he saw troops of the Third Bureau of Engineers, who had built the Yongbyon nuclear facilities, digging massive tunnels in the Kimdan-ri area.

Kang said: "Troops of the Third Bureau of Engineers were digging two deep tunnels large enough for two trucks to pass side by side in mountains that were over 1,000 meters high. A narrow-gauge railroad was in place at the entrance of the tunnels to remove earth and sand from the tunneling."

He also said: "When I inquired about the facilities with Kim Yang-ku, president of Puhung Trading Corporation, a company in charge of materials procurement for the Third Bureau of Engineers, he said that the facilities were to 'build a nuclear base'."

He went on to say: "The Third Bureau of Engineers is not under the Ministry of People's Armed Forces, but is a special military unit under the party Central Committee which specializes in construction of nuclear facilities, such as the Yongbyon nuclear base."

Considering the importance of the information, the CHUNGANG ILBO asked ROK and U.S. intelligence authorities to confirm whether this was true.

First of all, Kim Tae-ho (36), who defected to the ROK in May of last year while working at Namchon Chemical Complex under the General Department of Atomic Energy, said: "The Third Bureau of Engineers is under the Public Security Ministry in name only. In reality, it is a corps of engineers specializing in nuclear facilities. Kim Chong-il directly controls this corps."

ROK and U.S. intelligence authorities have recently said that "satellite photos have confirmed that there are large underground facilities at the location Kang pinpointed." They also said that "the ROK and the United States are watching the facilities around the clock."

Given these testimonies and facts, the secret underground facilities in Kimdan-ri are strongly believed to be a nuclear base for storing plutonium, which North Korea is believed to possess, or a base for manufacturing nuclear bombs.

In connection with this, Kang said: "There are many munitions plants of various sorts in areas close to Kimdangol, Chagang Province, and Tongchang and Huichon Counties, North Pyongan Province. Therefore, the Kimdangol underground facilities may very likely be a plant for assembling nuclear weapons with parts from those nearby munitions plants."

More on Nuclear Facilities

SK2908105195 Seoul CHUNGANG ILBO in Korean 28 Aug 95 p 3

[Interview with Kang Myong-to, DPRK Prime Minister Kang Song-san's son-in-law who defected to the ROK in May 1994, by reporter Choe Won-ki; place and date not given — first paragraph is CHUNGANG ILBO introduction]

[FBIS Translated Text] "The underground facilities in Chagang Province are very likely facilities for manufacturing nuclear warheads or storing plutonium," Kang Myong-to, 37, said, while recalling what he saw at the construction site of the underground facilities six years ago. He provided the information about the presence of secret nuclear facilities in North Korea for the first time. The following is an interview with him:

[Choe] Would you explain to us what happened when you visited Chagang Province?

[Kang] I was on my way to Kanggye for an official visit in January 1989. While lost in Huichon-up, Tongsin County, I saw the facilities in question. When I saw them, the construction had progressed much. Soldiers were digging tunnels — each tunnel is big enough for two trucks to pass side by side — in a mountain area. A narrow-gauge railroad was in place at the entrance of the tunnels to remove earth and sand from the tunneling.

There had been only a narrow road for horse-driven carts in this mountain area. At that time, a road wide enough for trucks to pass were built. And, temporary buildings were lined up along the road. There were three barricades. I walked up the second barricade. I was not able to enter into the tunnels.

[Choe] What is the most important reason you insist they are nuclear facilities?

[Kang] First of all, the Third Bureau of Engineers was mobilized in the construction. The Third Bureau of Engineers is a military unit under the party Central Committee that specializes in building nuclear facilities. After seeing the facilities, I returned to Pyongyang. In Pyongyang, Kim Yang-ku, president of Puhung Trading Corporation, a company in charge of materials procurement for the Third Bureau of Engineers, told me that it was a "project to build nuclear facilities." There are a number of munitions plants in Chagang Province. North Korea must have chosen this area to assemble nuclear warheads with parts manufactured at adjacent munitions plants.

[Choe] Would you elaborate on the Third Bureau of Engineers?

[Kang] There are five Bureaus of Engineers in North Korea, and each is in charge of different fields: The first bureau is in charge of building ordinary tunnels such as those for the Pyongyang Subway System; the second, the construction of hydraulic power stations; the fourth, the construction of vertical pits in Anju Coal Mine; and the fifth, the construction of a two-track railway between Pyongyang and Chongjin. The third bureau, which is in charge of the construction of nuclear facilities, receives a special treatment. Ordinary soldiers suffer from food shortages. However, the soldiers of this unit receive 1.2 kg of rice and pork per day. In North Korea, this amount is considered to be a very good supply of materials. This bureau operates its own trading firm, Puhung Trading Corporation, to procure materials from overseas. It deals in gold and silver bars and other materials, does business with Japan, China, Russia, and other countries, and purchases grain.

Kim Chong-u 'May Have Been Purged'

SK2908075295 Seoul CHUNGANG ILBO in Korean 27 Aug 95

[Received via HITEL Database on 29 August]

[FBIS Translated Text] Speculation is growing that North Korea's Kim Chong-u, 53, chairman of the Committee for the Promotion of External Economic Cooperation, who is in charge of developing the Najin-Sonbong Special Economic Zone, may have been purged or demoted. This is based on the fact that, at a time when he should be busier than anyone else luring foreign capital into the Najin-Sonbong region, he has suspended all overseas activities and has not been seen at public functions for the past four months.

Business circles state there is a reason why Kim Chong-u vacated his position for several months. As the chairman of the Committee for the Promotion of External Economic Cooperation, he is in charge of luring foreign capital and providing equipment for the development of the Najin-Sonbong region.

Namely, he is in charge of developing the Najin-Sonbong Special Economic Zone.

As such, under normal situations he should have been very busy giving briefings on the special economic zone and entertaining foreign businessmen visiting Pyongyang. However, foreign businessmen who have visited Pyongyang over the past several months have not met with him at all.

Observers feel that if Kim Chong-u was purged, there is a high probability he was purged due to a slip of the tongue. He was last seen in public on 20 April at the DPRK-U.S. technicians' negotiations in Berlin that discussed the light-water reactor issue. It was learned that at the time he served as chief North Korean delegate and made a statement that someone in his position should not have.

Chief U.S. delegate Samore stated: "During the time when the DPRK-U.S. nuclear agreement was concluded in October last year, Kang Sok-chu had already accepted the ROK-style light-water reactors." At this, Kim Chong-u responded by repeatedly mentioning: "This remark was made by Kang Sok-chu. I never made such a remark."

Based on this, experts in North Korean affairs feel: "It seems Kim Chong-u, who is somewhat arrogant, made such statements without instructions from the North Korean Government. After Kim Chong-u returned to Pyongyang, the North Korean authorities probably purged or disciplined him by giving prominence to his remarks."

North Anticorruption Campaign Said Under Way

*SK2908060195 Seoul CHOSON ILBO in Korean
27 Aug 95*

[Received via HITEL database on 29 August]

[FBIS Translated Text] It was learned that prior to the inauguration of North Korea's Secretary Kim Chong-il as the party general secretary and state president, a large-scale anticorruption campaign is being conducted within the military as a "political work."

The current issue of the HUNGNYONGGANG SINMUN, a quarterly for ethnic Koreans in the PRC which is published in Heilongjiang Province, PRC, reported that dissatisfaction by enlisted men in the North Korean military has increased due to corrupt behavior by generals and officers. Therefore, a large-scale anticorruption campaign to improve morale and military might is underway within the military. It appears that this campaign may also be part of an advanced political work for the official succession of Secretary Kim Chong-il.

Quoting a source well-versed in the internal situation of the North Korean military, HUNGNYONGGANG SINMUN reported: "Some generals and officers from the army corps, army division, and battalion are being investigated for corruption." It also reported that as a result of this anticorruption campaign, "some high-ranking officials will be dismissed."

This source also stated that it seems that this anticorruption campaign "is not directly related to any power struggle within the North Korean military." It also added: "This campaign is being conducted under the North Korean leadership's judgment that increased dissatisfaction among enlisted men regarding corrupt behavior by high-ranking officials is influencing the military's morale."

Dr. Chon Hyon-chun of the National Reunification Institute said: "It has been verified that the North Korean military is conducting a military purification drive by forming an anticorruption campaign vanguard organization known as a "shock brigade." A purge throughout the bureaucratic organization as well as the military is expected to be carried out prior to Secretary Kim Chong-il's official succession to power."

In the treatises published in November of last year and June of this year by Secretary Kim Chong-il, he did not fail to mention the symptoms of bureaucratism and corruption in party and government organizations, and hinted that anticorruption campaigns would be conducted prior to his official assumption of power.

Government Resumes Rice Transport to North

*SK2808124495 Seoul TONG-A ILBO in Korean
28 Aug 95 p 2*

[FBIS Translated Text] The government is making every possible effort to decide on the direction of its policy toward North Korea, because there is a big difference in opinions between the teams in charge of reunification, diplomacy, and security affairs in assessing North Korea's policy toward South Korea, and because moderates and hard-liners are clashing with each other.

According to relevant officials in charge of the policy toward North Korea on 27 August, the government has resumed the rice transportation to North Korea which had been suspended since 13 August, allowing the No. 33 Kwangyang ship carrying 5,000 tones of rice to sail for the North.

Along with this, the government has decided to sound out North Korea as regards the holding of the third round of the North and South Korean authorities' talks, which were canceled due to the detention of a rice transport ship by North Korea, even though they were supposed to be held in Beijing on 10 August. In addition, the government is positively considering opening the regular route of container ships between Pusan and Najin requested by a private company, showing a move to resume the exchange and dialogue with North Korea, which have been temporarily suspended.

A relevant official of the National Unification Board stated: North Korea favorably dealt with the reactor site survey team which visited North Korea from 15 to 22 August. Since 15 August, however, it has shown a twofold attitude by strengthening the slander against the South. This is unexpected. Therefore, the government ponders over the direction of its policy toward North Korea. In addition, moderates and hard-liners within the government continue to hold to their own opinions over North Korea.

Shipments Scheduled To End

SK2708041495 Seoul CHOSON ILBO in Korean 27 Aug 95 p 2

[Report by Pyok Wan-sik]

[FBIS Translated Text] Rice shipments to North Korea are expected to be concluded by 20 September.

According to the Construction and Transportation Ministry on 26 August, 22,500 tonnes of the 65,000 tonnes of rice that will be additionally provided to North Korea is currently being loaded onto vessels, with the remaining 42,500 tonnes slated to be loaded at four ports—Kwangyang, Masan, Kunsan, and Tonghae—by 20 September. Currently, the rice loading work at Kwangyang, Mokpo, and Masan is in its final stage. The vessels carrying the rice are expected to leave for North Korea in a day or two once the rain stops.

The ministry added that each vessel carrying the remaining 42,500 tonnes of rice will be loaded with 12,000 to 15,000 tonnes, carrying two or three times more rice than normal.

Heavy Rain Continues To Cause Damage in North

SK2608060195 Seoul KBS-1 Television Network in Korean 1200 GMT 25 Aug 95

[Report by Yi Kang-kyun]

[FBIS Translated Text] It has been learned that torrential rains have caused huge damage in North Korea. It is unusual for North Korean media to report on the damage caused by the heavy rains and to encourage people to send relief material to the flood victims.

Reporter Yi Kang-kyun reports:

[Begin Yi recording] As a result of the torrential rain that fell in North Korea, North Korea is experiencing a flood disaster. The basin of the River Amnok [Yalu] is now submerged, leaving several thousand people homeless.

According to data recently obtained by the National Unification Board regarding weather conditions in North Korea, the torrential rain that began to fall in North Korea in early August has continued until recently. One thousand mm of rain has poured into Huichon, Kangwon Province. Overall, over 300 mm of rain has fallen in most other areas.

In Pyongyang alone, more than 300 mm of rain fell, reportedly cutting off supplies of drinking water and washing away several parts of the highway linking Pyongyang and Wonsan.

In Sinuiju, the river flooded, submerging apartments up to the second floor and inundating farmlands, leaving thousands of people homeless.

As the damages increased due to the heavy rain, it was reported that Kim Chong-il directly led the rescue work, ordering the emergency mobilization of the entire army and sending every piece of military equipment to the flooded areas.

On 25 August, North Korea's central broadcasting network unprecedently reported that the North Korean authorities urgently provided over 180 tonnes of grain, 650 tonnes of supplementary foodstuff, and several thousands clothes and bedclothes to Sinuiju and other areas that suffered from heavy rainfall.

This has been Yi Kang-Kyun for KBS news. [end Yi recording]

North Reportedly Seeks Emergency Flood Relief

SK2908035295 Seoul KBS-1 Radio Network in Korean 0300 GMT 29 Aug 95

[FBIS Translated Text] The Foreign Ministry revealed that North Korea, which suffered great damages due to a large-scale flood recently, requested emergency relief to the United Nations Disaster Relief Coordinator's Office in Geneva, and that four UN officials have been dispatched to Pyongyang on 28 August to investigate the situation.

A Foreign Ministry official stated on 29 August that on 23 August, Ambassador Pak Kil-yon of the North Korean Mission in New York submitted a request for emergency relief to the United Nations, and that in addition to North Korean authorities, currently four officials affiliated to the UN office are looking into the type and amount of necessary relief provisions.

Officials Visit North To Assess Flood Damage

SK2908052895 Seoul YONHAP in English 0425 GMT 29 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 29 (YONHAP) — Officials of the United Nations Department of Humanitarian Affairs (DHA) Monday flew to North Korea to assess the flood damage in response to the request made by the North for emergency aid, a Foreign Ministry official said Tuesday.

The request was filed on Aug. 23 by North Korea's permanent representative Pak Kil-yon to the United Nations in New York, to the DHA's office there, the official said.

A few DHA officials are currently examining the damage and determining the amount of relief goods needed by the North, he said.

The North also requested that the World Health Organization (WTO) send medical teams to flood-stricken regions there, he noted.

The South Korean Government will also examine ways to help the North Koreans through international humanitarian organizations once the DHA finishes its survey of the damage in the North, he added.

The North also asked for the United Nations International Children's Emergency Fund (UNICEF) to provide it with 50,000 dollars worth emergency food aid for children who live in the disaster regions, according to the official.

North Korean Environmental Situation Viewed

SK2708132395 Seoul TONG-A ILBO in Korean 27 Aug 95 p 23

[Article by reporter Kim Ki-man based on a summary of a thesis on the North Korean environmental situation written by Chong Hoe-song, senior researcher of the Institute for the Development of Environment Technology: "Tumen River's Five-Grade Water Polluted by Wastewater From Processing Plants"]

[FBIS Translated Text] To what extent has the North Korean environment been polluted and nature been destroyed?

People were amazed when they saw the environmental situation of the former Soviet Union and the East European countries revealed to the outside world after the collapse of the former and the great changes in the latter in the late eighties. This is because environmental pollution and destruction of nature — which were denounced by them as "ills of capitalism" — were more serious in those areas than anywhere else.

The North Korean pollution situation was disclosed by a thesis entitled "The North-South Korean Environmental Situation and Cooperative Plans" recently written by Chong Hoe-song, senior researcher of the Institute for the Development of Environment and Technology.

Introduction

Heavy chemical plants, coal mines, and gold mines — including the Hungnam Fertilizer Plant — were developed in North Korea during the Japanese colonial period. As a result, environmental pollution and the destruction of nature occurred comparatively at an earlier date in North Korea. The environment of North Korea, where the people's standard of living is very low; the number of cars is very small; and its biggest city with a nonexistant over population problem, is mainly polluted by materials leaked from plants and mines.

The majority of the plants are not well equipped with antipollution facilities. In addition, the major cities are not equipped with sewage disposal facilities. Accordingly, the air of the major industrial zones is polluted with smoke. The river contamination is also very serious.

Air Pollution

Except for Pyongyang, there is no big city with more than 1 million people in North Korea and the number of cars is very small. Air pollution in North Korea is mainly caused by fuel or materials used for catalyzers in plants. Air polluted areas to be mentioned are as follows: Wonsan; Chongjin; Munjin and Munchon in Kangwon Province; and Nampo, Songnim, Sariwon, and Haeju where steel complexes operate, including the Hamhung area similar to the areas around Ulsan and Onsan in South Korea.

Although North Korea has not disclosed data on acid rain, according to the environment protection bureau of the Korean autonomous district in Jilin Province, China, strong acid rain with a pH of 4.6 falls on Mt. Paektu.

Water Pollution

Water pollution of rivers and streams is mainly caused by wastewater from plants and mines. Furthermore, the lack of sewage and drainage disposal facilities in the major cities; the introduction of unrefined sewage; the indiscriminate use of agricultural chemicals and fertilizers; and the outflow of dirt and soil caused by the construction of "tower-style fields" of North Korea's own style are the key factors that further aggravate the water quality. With the exception of the 100 km up the river, water in the Tuman cannot be used as drinking or industrial water because it is seriously polluted. It is less than five-grade water. Even the water in the Amnok River is less three-grade water. Following the construction of the Sohae lockgate, the Taedong River has been further polluted by wastewater from Nampo area plants.

Sea Pollution

The pollution of rivers affects the sea pollution in the East [Sea of Japan] and Yellow Seas. This is a very serious problem. Seaweed disappeared from the sea off Wonsan a long time ago. A red tide occurs every year. Even the sea off Nampo city, where North Korea's largest nonferrous metal refinery is located, is seriously polluted. Also, sea is polluted as a result of land reclamation in the West Sea, which is one of North Korea's "fourth land development works." The earth and sand that outflows from the tower-style fields accumulated at the mouth of the river, further destroy and pollute the marine ecosystem.

Waste Management

Because of the serious shortage of food and daily necessities, waste materials from houses is relatively small. Accordingly, the issue of handling the waste is not serious. However, because of the old facilities and the backward technology, North Korea has put industrial waste on areas near plants and mines without appropriately refining them, even though the amount of materials is considerable. Therefore, this seriously pollutes soil and water.

Dutch Bank To Open Branch in Pyongyang

SK2608142195 Seoul KYONGHYANG SINMUN in Korean 26 Aug 95 p 2

[By reporter Kang Song-po]

[FBIS Translated Text] The Dutch ING Bank will open a branch in Pyongyang and Najin-Sonbong in September. This will be a first for a Western bank.

An official of the ING Bank's Seoul office revealed on 25 August: "It is known that Alexander Watson [name as transliterated], a British who has been tentatively appointed as Pyongyang's branch manager, recently visited North Korea and completed final preparations on opening the branch offices."

This official also said: "In connection with Western countries' investment projects toward the North, the Pyongyang branch office will mostly be in charge of fund raising and remittance work. Theoretically, it will be possible for South Koreans to directly send money to their relatives in North Korea."

Daewoo's Kim U-chung Visits PRC's Jiang Zemin

SK2908073995 Seoul YONHAP in English 0715 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, Aug. 29 (YONHAP) — Chairman Kim U-chung of South Korea's Daewoo Business Group paid a courtesy call on Chinese President Jiang Zemin at his office in the great hall of the people Tuesday morning.

The third South Korean businessman to meet the Chinese president, following Chairman Choe Chong-hyon of the Sunkyong Group and Chairman Yi Kon-hui of the Samsung Group, Kim exchanged with the Chinese leader views on how to increase economic cooperation between the two countries, Daewoo Group officials here said.

Highly appreciative of Daewoo's efforts to increase its investment in China, Jiang showed particular interest in Daewoo's plans to build an automobile assembly plant and invest in joint- venture electronic and telecommunication projects in China, according to one official.

Jiang also told Kim that increasing South Korean corporate investment in China would contribute not only to promoting economic and friendly relations between the two countries but also to establishing a regional economic cooperative system in this part of the world, the official noted.

PRC To Brief Official on UN Security Council

SK2608055595 Seoul YONHAP in English 0431 GMT 26 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 26 (YONHAP) — Director-general Ham Myong-chol of the Foreign Ministry's United Nations Systems Bureau will fly to Beijing Sunday to attend a meeting with the Chinese Foreign Ministry's UN bureau chief to discuss the country's preparations for joining the United Nations Security Council (UNSC), a Foreign Ministry spokesman said Saturday.

During Monday's meeting with his Chinese counterpart Wang Guangya, Ham will discuss ways to enhance cooperation between the two countries in the United Nations and exchange opinions on a variety of other issues concerning the international body, including reform measures, human rights, refugee problems and peacekeeping operations, the spokesman said.

South Korea would like to get advice from the Chinese Government on its experience as a permanent member of the UNSC.

The country had previously similar meetings with Japan and Russia, all standing members of the UNSC, and

Indonesia, a nonpermanent member of the UN security body.

Contract Signed for Trade Center in Moscow

SK2508024095 Seoul THE KOREA TIMES in English 25 Aug 95 p 8

[FBIS Transcribed Text] The Korea Trade & Investment Promotion Agency (KOTRA) yesterday signed a contract with Moscow State University in Russia allowing it to build a Korea-Russia Trade Center within the university.

With the conclusion of contract, the organization will embark on the program to set up the trade center early next year.

The contract was signed by KOTRA president Pak Yong-to and Moscow State University rector Victor A. Sadounichy at the Ritz Carlton Hotel.

The trade center will cost 310 million dollars and will cover 123.8 ha. It will be completed in 1999.

Kong No-myong Meets With Peru's President

SK2608071295 Seoul YONHAP in English 0611 GMT 26 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 26 (YONHAP) — Foreign Minister Kong No-myong Friday [25 August] met with Peruvian Foreign Minister Francisco Tudela in Lima, the capital, to discuss bilateral issues and to exchange views on international politics, Foreign Ministry Spokesman So Tae-won said Saturday.

During the meeting, the Peruvian foreign minister expressed his country's support for South Korea's efforts to solve the North Korean nuclear issue and to achieve the peaceful reunification of the Korean peninsula, So said.

Tudela also supported South Korea's bid to become a member of the United Nations Security Council (UNSC) while Kong promised to support Peru's efforts to join the Asia Pacific Economic Cooperation (APEC) forum.

Peruvian President Alberto Fujimori meanwhile invited President Kim Yong-sam to visit Peru when Kong paid a courtesy call on the Peruvian head of state, according to So.

Fujimori thanked the South Korean Government for its assistance in building medical facilities in Peru and hoped that South Korean firms would expand their investments in the South American nation, according to So.

Kong also met with Peruvian parliamentary speaker Marthagladys Ghavez [spelling of name as received] who promised his support for the efforts by Rep. Pak Chong-su to become a member of the Executive Committee of the Inter-Parliamentary Union (IPU).

Group To Grant Access to Foreign Advertisers

SK2608022495 Seoul THE KOREA TIMES in English 26 Aug 95 p 9

[FBIS Transcribed Text] Prime time advertising slots on TV will be allowed to foreign firms from this year under a government plan to eliminate a variety of rules limiting fair competition. This will clear away the long simmering resentment of foreign firms with the Korea Broadcast Advertising Corp. (KOBACO)'s arbitrary barring of new advertisers, including foreign firms, from prime time TV.

Under the current rule, prime time is reserved for major Korean conglomerates with temporary spots of little effectiveness or benefit only open to non-chaebol and foreign companies.

Foreign companies have complained that there is no flexibility in the length of commercials and advertising rates are arbitrarily set by KOBACO itself.

The Fair Trade Commission (FTC) said yesterday from this year the government will ban KOBACO from arbitrarily allocating prime time TV commercials to a privileged few firms and set advertising fees on the basis of consensus by TV stations, advertising companies and consumers.

The commission ordered KOBACO to grant fair and equal access to all advertisers and allow market forces to dictate the cost of advertising time by 1996.

The commission yesterday unveiled a number of other measures to root out rules that have restricted fair competition in 15 industrial sectors.

Geographical business barriers will be lifted in electric power, telecommunications, customs clearance, transportation and travel services, thus allowing businesses in all these sectors to do business across the country, not just in specific regions.

For example, travel agencies in the Cheju-to Island will be able to mobilize travelers off the island and customs clearance agents in Inchon will be able to do the business across the country and not just in Inchon, the commission added.

Operators of electric power and communications projects and construction companies will no longer be subject to a maximum ceiling on the amount of contracts secured each year. Under a cartel-like arrangement, each of the companies in these areas has been allocated a maximum number of contracts they can sign each year, thus giving benefits only to big firms and handicapping small and medium-sized firms.

Ocean-going shipping companies and insurance firms, especially non-life insurance companies and reinsurance firms will no longer be able to set rates or prices through collusion, the commission said.

Entry barriers will be either completely or partially abolished for operators of transportation firms, real estate appraisal and brokerage services and advertising agencies. For example, real estate brokers will no longer need licenses from the government, the commission said, to do business.

Draft 1996 Budget Shows 14.9-Percent Increase

SK2808105395 Seoul YONHAP in English 0914 GMT 28 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 28 (YONHAP) — The government plans to increase next year's budget 14.9 percent to 63 trillion won (about 81 billion U.S. dollars), the Ministry of Finance and Economy said Monday.

The government also plans to make use of 1,850 billion won in additional tax revenue which was collected this year for the 1996 supplemental budget to improve the educational environment and to cover a shortage in the inter-Korean cooperation fund.

The state budget program was revealed by Hong Chae-hyong, deputy prime minister and finance and economy minister, when he briefed President Kim Yong-sam at Chongwadae, the presidential mansion.

According to the draft program, the general account budget next year will reach 58 trillion won, 16 percent from this year, while the special account budget for treasury loans and investments will increase 3.4 percent from 1995 to 5 trillion won.

The government will consult with the ruling Democratic Liberal Party before approving the budget and submitting it to the regular session of the National Assembly opening next month.

Hong said that the government will focus its budget expenditures on enhancing the nation's potential for growth and quality of life.

Thus, the priority will be on education, small businesses, social infrastructure, science and technology, farming and fishing villages, promotion of an information-oriented society, the promotion of national welfare, the safety of facilities, public security and the improvement of administrative systems, he said.

Hong added that the government will soon decide on measures to increase the nation's contribution to educational financing to 5 percent of the gross national product (GNP) by 1998.

Paper Reviews Current Status of Party Politics

SK2708040295 Seoul THE KOREA HERALD in English 27 Aug 95 p 2

[Report by Nam In-su]

[FBIS Transcribed Text] When the ruling Democratic Liberal Party [DLP] proudly introduced the election of its floor leader and local chapter heads early this year, it was meant to enhance party democracy.

The unprecedented election would set the model of a democratic party operation, said a senior DLP official at the time.

On Feb. 9, Rep. Hyon Kyong-tae won the post of floor leader in a contest against Rep. Kim Yong-ku, who withdrew minutes before voting.

Now, six months later, competition gave way to appointment by President Kim Yong-sam, who vowed to tighten his grips on party operation as head of the party.

In a recent reshuffle, President Kim appointed his lawmakers to such key posts as party chairman, secretary-general and floor leader after revising the party constitution.

The revised party law also repealed the election of local chapter heads by deputies. The change of rule paved the way for Kim to handpick the local chapter chairmen, who are assured of party tickets for parliamentary elections.

The DLP was promptly criticized for taking a backward step in party democracy.

President Kim's tighter control of party operations followed the DLP's defeat in the local elections in June.

"Under the circumstances, we can hardly afford party democracy," says a DLP lawmaker. "It is highly risky to practice democracy just prior to the general elections next April."

The ruling party lost two-thirds of its key mayoral and gubernatorial posts to opposition and independent candidates in the June elections.

Opposition parties claimed that it was a report card for what the President Kim's administration and his governing party did during the past two and a half years.

With the second half of his term kicked off, President Kim returned to "boss politics," says political analyst Cho Chung-pin.

"He (Kim) rolled up his sleeves to have his crumbling house mended before it's too late," says Cho, who teaches politics at Kukmin University.

The ruling party now has a majority in the National Assembly with 168 parliamentary seats out of 291. But some DLP lawmakers are wondering whether or not their party will continue to control the legislature next year.

President Kim knows some of his lawmakers are skeptical about the party's future.

His resort to boss politics is closely related to the resurgence of the two charismatic opposition leaders—Kim Tae-chung and Kim Chong-pil.

Kim Tae-chung has recently returned to politics from his self- imposed retirement, reigniting his unquenchable ambition for the presidency.

To begin with, Kim, the three-time loser in previous presidential elections, vows to make his party, National Congress for New Politics, the majority party in the general elections.

In gearing up for the next year's crucial battle, he is strengthening a one-man rule leadership format for the opposition party, which is scheduled to be formally launched Sept. 5.

Kim will have the greatest say in deciding who, as the party candidate, runs for the parliamentary elections, said a party official.

The splinter opposition United Liberal Democrats is also under the solid control of its leader Kim Chong-pil, whose political clout has fortified with his party's success in the June local elections.

"The new power relations among the three Kims have urged them to tighten their direct control on their men," says political analyst Cho.

The three Kims' political dominance has drawn backlashes from mushrooming new political forces.

"Without a change from charismatic heroes' political domination to citizen-led politics, we will not effectively rid our nation of political ills," said Song Yu-po of the Citizens' Coalition for Political Reform, a dissident group expected to turn itself to a political party soon.

"Therein lies the historic need for a new party of citizen force," he said.

Firms Attempt To Stop Illegal Software Use

SK2708040395 Seoul THE KOREA TIMES in English 27 Aug 95 p 8

[Report by No Chun-hon]

[FBIS Transcribed Text] Private enterprises are hiking combined efforts to stop the distribution and use of illegal computer software and electronics video games in an attempt to instill in users an awareness of the importance of intellectual property rights.

The latest move follows similar campaigns in recent years by computer distributors who have organized collections and bonfires of illegal program diskettes copied off licensed products.

Officials at Hyundai Electronics Industries [HEI], which is organizing the latest drive, say it is designed to encourage consumers to recognize the value of computer and video game software and boycott the use of illegal products.

"The illegal sale and use of pirate products is causing disorder in the market and inviting increasing criticism from advanced countries like the United States," one HEI organizer explained.

The campaign, to be highlighted at the Yongsan Electronics Market in central Seoul until Sept. 3, is also being participated in by Samsung Electronics and LG Electronics, two of the nation's top electronics companies.

LG's Chang Yong-ho said his company years ago launched a drive to eradicate illegal software from its offices and now the campaign is spreading to distributors and consumers as well.

The Ministry of Information and Communications explained that one of the most serious aspects of the violation of intellectual property rights is the involvement of distributors, although most of this is history now.

Cho Chin-ha, director for information and communications promotion, said the introduction of tougher punishment for the distribution of illegal software has had a considerable effect in deterring computer sellers from copying programs.

Under the new regulation, both individuals and enterprises found copying programs illegally are subject to a maximum fine of 20 million won (25,000 dollars).

"While the copying of software on an individual basis is difficult to control, it is only the tip of the iceberg. The prevention of distributors from copying has been the real breakthrough," Cho noted.

According to a report by the Business Software Association of the United States, some 70 percent of the computer software in use in Korea has been illegally copied, comparing poorly to the U.S. where the ratio is about 50 percent.

Officials of HWP, a leading domestic software maker, said the ratio of illegally copied programs is a function of the total number of computers sold over the number of software programs sold.

"While numbers are not readily available, the ratio is certainly decreasing and people are generally recognizing that software programs are products in themselves," said one HWP program developer. HEI officials, meanwhile, said the prevention of the illegal use and distribution of video games and computer software will in the long run be instrumental in promoting the Korean industry.

"The development of advanced programs requires large funds which can only be raised through the effective marketing of existing products. It is a chain reaction that must not be broken," an HEI public relations official said.

At the same time, the introduction of sophisticated software like Windows 95 by Microsoft is sending a message to consumers and companies that a certain price has to be paid for greater efficiency, convenience and productivity.

Burma

Interview With Aung San Suu Kyi

BK2808122295 (Internet) BurmaNet News in English 28 Aug 95

["Tapescript" of interview with Aung San Suu Kyi by an unidentified interviewer in Rangoon in "July 1995"]

[FBIS Transcribed Text] ASSK [Aung San Suu Kyi]: So, I'm the one who should ask you, what is it that you wish to know, what do you feel you have missed out on because you were not here for the previous press conference?

Q [Question]: I think we'd like an idea of what your political game plan is, or at least an inkling.

ASSK: Do you think I'm going to reveal that now?

Q: No. But could you give us any idea of what your leverage is with the SLORC [State Law and Order Restoration Council] refusing to talk to you?

ASSK: My goodness, you don't expect me to put all my cards on the table just after two weeks? .... Let me put it this way, we have made it quite clear that what we want is dialogue, and dialogue with a view to achieving national reconciliation and we will work towards dialogue at a pace which is in keeping with the political climate as it is and everything that I do (.....) [ellipsis as received] so if I think it is the right time, I will ask for permission to speak about our policy decisions and if they ....???? [question marks as received] Otherwise I'm just here because I was told that individual correspondents wanted to speak to me, and .... but if I did that I kept saying I'd never progress with my work and I'd never have anything interesting to give you. It would be very boring for you.

Q: How do you feel after your release?

ASSK: I feel rather tired, but on the whole I think I'm happier with the situation. I'm very pleased with the situation of the NLD [National League for Democracy] and in some ways I think our experience of the last six years has strengthened our people and really made them understand what it was all about and it's sorted out the sheep from the goats as it were and we are better and stronger and slimmer for it.

Q: What do you mean, sheep from the goats?

ASSK: Well, some who could not take the pressure, who really were perhaps not ready to sacrifice too much for the cause, those people have drifted away and the ones who are left are strong and dedicated and this makes us a better, tighter-knit, more effective organization.

Q: Do you think you'll be able to re-organise the NLD? Re- energise the NLD? There are legal and security obstacles in your way, surely?

ASSK: Well, obviously we'll have to deal with the legal and security obstacles one by one but already I've started to re-organise, re-energise the NLD, that is what I've been doing for the last two weeks.

Q: If you were to become some sort of figurehead for the country, what about the legal obstacles, the constitution obstacles that stand in your way? Do you see that as something difficult?

ASSK: We have felt that nothing should be beyond negotiation, everything should be open to negotiation and what we want to try to do is to bring about a political system that is in keeping with the will of the people. That was our original aim and this is the aim to which we adhere. And anybody who really wished for the good of the country must accept that all problems should be open to negotiation.

Q: Do you think that the economic growth that we've seen over the past six years while you were unfortunately detained here, do you think that has in any sense dampened down the demand for political change, the demand for democracy?

ASSK: The overt demand for democracy has quieted down, but this has nothing to do with what they feel inside, it's because of the restriction placed on such demands but as I see it, the economic growth has not really reached the whole country, it has reached only a privileged few, and I do not think that that has in any way changed the feeling of the people.

Q: France, alongside the French oil company Total, is one of the major investors in Burma. How can its presence benefit your country?

ASSK: Well, that's what I would like to know. I would like to know how the presence of Total and all the other multinational investment affects the country, and by the country I mean the people who need it most. Foreign investment, foreign companies, what are they doing for the common people? Have they really benefited the common people in any way, this is something which has yet to be proved. Does it just mean more money and more wealth for those who already have wealth and money, does it mean more privileges for the elite, or does it mean real change in the situation of the common people, and I think we need more proof on this before we decide.

Q: Does this relate to what has been called "constructive engagement" of ASEAN countries?

ASSK: Yes, I've already spoken quite a number of times on constructive engagement. Of course what we would like ASEAN countries to see is how constructive engagement is affecting the ordinary people of Burma, I've said quite frankly that I consider the people far more important than the government.

Q: People who have supported constructive engagement would say that they have felt it made the regime feel more comfortable, by talking to the regime and bringing the SLORC foreign minister to ASEAN meetings and so on. What would you say to that sort of justification of the constructive engagement policy?

ASSK: Well, I would not refute it downright, I'm sure everybody has tried to say because in this day and age you can not stop up the borders and I'm sure international opinion whether it comes from ASEAN or whether it comes from other parts of the world, does count in this country.

Q: Former French President Mitterrand wrote the foreword of your book, "Freedom From Fear", but his critical dialogue has been rather co-operative with the SLORC. How do you judge this?

ASSK: Well, it's a little like the question that was asked to me earlier with regard to constructive engagement. I think all international opinion counts. In this day and age, any government cannot be oblivious to international opinion, and international action will certainly have some sort of effect. Exactly what sort of effect. Exactly what sort of effect it is difficult to say, because we're so close to events. I think it is only after about ten or fifteen years when we are further away from events and we know more about what went on inside the inner circle of the administration that we'll be able to decide definitely how much the effects of different policies, the different groupings of countries have had on development in Burma.

Q: Obviously your focus now is on negotiations with the SLORC, coming to some sort of working arrangement with the SLORC, but beyond that, you still have to deal with the minorities, the ethnic minorities, who are arguably more alienated, more estranged, from the military than the ethnic Burmese people themselves. Have you got any ideas of how you might deal with that problem when the time comes?

ASSK: We have always said that the key to the problem with the ethnic minorities and to build up confidence. It is because they have no confidence in the central Burmese Government that we have all these problems, so we've got to gain their trust. Its very much up to us who constitute the largest grouping to try to gain the confidence of the smaller ethnic groups, and for that, we all have to try. The government alone cannot do it, all the Burmese people must try to gain the confidence of the ethnic minorities of Burma, and in the end, if they feel they can trust us, I think we can build up a strong union. There is nothing politically or economically standing as obstacle in the way of a proper strong and lasting union, it's just more emotional differences. so I feel if we can win their trust and keep our word by them, if we show them we value them and we understand them, we should be able to achieve peace and unity in the future.

Q: In 1992, Levi Strauss pulled out and have tied their economic investment here to progress on human rights. Would you like to see other American companies also make the same decisions, to tie their economic investment to human rights issues?

ASSK: This is rather similar to the question that was just asked, and I feel that during this wait-and-see period, where we want to see in which way the authorities wish to move and where we want to give them every opportunity to be able to come to the negotiation table with a clear conscience, and with the best will possible, I think this is something we must wait and see. I have said that this is not the time to rush in with investment, please wait and see, that I said from the very first week, please wait and see before rushing in with new investment, let us see which way we go and when we know in which direction we are heading, then I think I must consult my colleagues and then make the kind of positive statement that we feel is appropriate in that situation.

Q: As to the NLD's statement when it comes out, are we talking days, weeks, months?

ASSK: Ah, from the very first day I said I refuse to speculate, partly because Burmese people believe far too much in fortune-tellers and I don't want to encourage that kind of belief, whatever we want to get, I don't want to put a time limit on it.

Q: I heard that you met the Japanese ambassador two times, what do you think of Japanese Government policy over the years; what do you think of the Japanese ODA [Overseas Development Assistance]?

ASSK: Well, I think that is something you should ask the Japanese ambassador about. I usually do not like to talk about my private conversations with my hosts. Since he was my host, please go and ask him.

Q: Have you a clear vision of what Burmese democracy should be.

ASSK: Oh yes, it's basically democracy for the people of Burma, it's very simple: they want to be valued, they want to feel that their lives, their opinions, their aspirations, are valued by the government, basically that's what it amounts to and we have to try to build up a political system which will ensure that kind of valuation of the people.

Q: Will you, will the NLD, be taking any part in the Constitutional Convention?

ASSK: As far as I know, the NLD is taking part in the Constitutional Convention.

Q: Sorry, I meant that section of the NLD which is currently not taking part in the Constitutional Convention, because the people who are taking part seem to be, er, what are they, sheep or goats, I can't remember?

ASSK: No, we aren't very united ? and ? who have a pan in the Constitutional Convention, and we understand exactly why they had to do what they did during the last six years. [sentence as received]

Q: So do you see the Constitutional Convention as a useful forum for debate?

ASSK: Well, I think that this is another of the issues which should be open to negotiation to make it a truly useful forum for debate.

Q: What would make it a truly useful forum for debate?

ASSK: If the voice of the people can be heard.

Q: And how would that happen?

ASSK: We have to work out the details one by one.

Q: What would you like your sympathisers in Bangkok to do?

ASSK: I would like them to help us achieve them.

Q: For six years you did not give up your goal. Who or what gave you such strength and courage?

ASSK: Well, partly the thought of my father, the thought of the people and the thought of my colleagues who were suffering far more serious than I was, because I was only under house arrest, and that's a far more comfortable situation than jail. If I ever thought I was having a hard time, I always knew that others were having a far harder time, and that inspected me and kept me strong.

Q: ... the Thai people ... their role in helping disorder the ethnic minorities around the Thai border. [sentence as received]

ASSK: This question I think another charge asked me about a week back, and I made the point then that because Thailand and Burma are neighbours, it is particularly important that there should be good relations between us, and to have good relations between countries, the people of the countries have to have good relations, so I would like the Government of Thailand to look at this, to shape their policies in such a way that there can be good relations between the people of Thailand and the people of Burma as a whole. I know that it is not easy for the Thai Government, but with good will and with a genuine desire to help build our ?? [question marks as received] I think we can achieve this. You should always, in my opinion — this maybe perhaps a rather idealistic way of looking at things — but I think you should always give more attention and compassion to the weakest people.

Q: Nobel laureate and Buddhist leader the Dalai Lama has been trying to effect political change through non-violent means, but it has been going very slowly, and I feel in my heart that you are very similar in your being as a Buddhist and your motivation to effect change in a way that's good for everyone, I don't know, I wondered if you'd thought about you know what you can learn from his experience, you know, do you think will go quicker for you, I know politically it's a different situation but ...

ASSK: Well, that's exactly it, politically the situation is very, very different, because the movement there is complicated by the fact that the difference is between two racial groups, but we in Burma, the first thing we have to do is to achieve understanding between the authorities and the democratic forces, and in general we belong to the same ethnic group — of course there are the ethnic groups, but they're not trying to make Burmese move out — so the situation which may have some kind of indirect relevance to your own situation, I don't think they are similar enough to make any serious analogy.

Q: How much does your spiritual belief affect your political decisions?

ASSK: That is difficult to gauge because one's spiritual beliefs are so much a part of one that you can not say that it is because of this particular belief that I came to this particular solution or I decided to do something in this particular way, but on the whole I've always tried to use my spiritual strength to promote the cause of which I'm working.

Q: Sorry to keep banging on about this, but have you any sign whatsoever that the SLORC is prepared to talk to you? Have you had any indication?

ASSK: Whether I have or not, I would have to wait until I think the time is right.

Q: Will you ask the international community to take tougher sanctions against the SLORC if the political situation in Burma doesn't improve?

ASSK: Well, it's premature to talk about such things at a time when we are working for reconciliation, let us not make provocative statements which will put obstacles in the way of reconciliation, when the time comes and we must think of such things then we will think about it.

Q: OK. Your release has taken the world by surprise. How do you explain it?

ASSK: I'm not sure. I would like believe that it is because the authorities themselves wish for reconciliation. There are theories about this, and nobody can prove that their theory is right, so let us stick to the most positive theory and hope that it's the correct one.

Q: What changes did your family find in you and what changes did you find in your nearest and dearest?

ASSK: Well, first with my family, I could see my sons growing and changing all the time because they were of that age. My youngest son was twelve when I was put under house arrest. He's eighteen now and during that period you can change a great deal. Perhaps my older son changed less because he was between the ages of sixteen and twenty-two and the change is less perceptible. In me, I don't know, I've never asked them if I have changed.

Q: When will the "meeting people" sessions stop — they can't go on forever?

ASSK: Well, I find this very difficult because, you know, I find it very difficult not to respond to their friendship and to their love and affection but it is difficult, I think sometimes it should stop because it can be a little bit disruptive of work and then I start worrying about them being there, if I'm doing something and it starts to rain and I think they are outside, I feel I should rush out and talk to them so they can go home, and that does disrupt work, and also if I have to go out work, also if I have to go out, I feel worried if I'm out and I'm not back in time and they have been waiting and it's either too hot or too wet or, or, ..., so I do not want to say to them "Don't come" they should be allowed to come. And secondly, I am happy to see them. I like to keep up, to maintain this contact, but for practical reasons, because it's inconvenient for all of them and because I tend to get worried about their situation, their waiting and sitting in the sun, I wish that we somehow could arrange it so that they didn't come, that we somehow could arrange it so that they didn't come, that they could come in a way more convenient for them and for me.

Q: Did you get any message from them?

ASSK: Well, we're always talking to each other, it's not one message as such, but I think on the whole the message is that they want me to know they are behind me and they trust me and they want me to trust them and of course this will happen because this is our aim to build up a country where we have politics based on trust and confidence rather then on coercion and power.

Q: Do you expect the government to intervene to stop them coming?

ASSK: Well, I do not think there is really any good reason for them to intervene, because they're very quiet, they do not disrupt the traffic — the first few days, yes they did block the road, but I explained to them I didn't want to have them block the road, and they were very co-operative about it, so I do not see any reason why anybody should try to trouble them — any good reason that is.

Q: Do you feel that the people — I know you perhaps haven't had time to meet many of them yet apart from your conversations over the gate — but do you feel that the people have changed, that their aspirations have changed or matured or modified over the six years since 1988?

ASSK: Well, their aspirations have not changed, but I think they have matured, and actually I am really very happy about the situation. I think in many ways they are stronger — quieter, but stronger. Perhaps because they are stronger inside, they can afford to be quieter now.

Q: Is the "Freedom From Fear" philosophy over? Are you entering a new stage?

ASSK: No, no I think we shall always have to struggle to free ourselves from fear as long as we live in this world. I do not think that struggle will ever come to an end.

Q: To clarify one point, the NLD, is it still the same NLD you that helped create in 1988-89?

ASSK: It's not the same, because a lot of them have been expelled including myself.

Q: True, so are you then going to, are the people going to hold new elections, is it going to be reformed?

ASSK: We're not doing anything of any reform at the moment. What we are trying to do now is to reunite the forces of those who, for various reason, have been made to leave the NLD and those who have been left inside, so this is a time for "reconciliation" I think is the newest phase.

Khin Nyunt Receives Mon Leaders in Rangoon

BK2808150395 Rangoon Radio Myanmar in Burmese 1330 GMT 28 Aug 95

[FBIS Translated Text] Lieutenant General Khin Nyunt, chairman of the Work Committee for the Development of Border Areas and National Races and secretary-1 of the State Law and Order Restoration Council [SLORC], received Nai Shwe Kyin, chairman of the New Mon State Party [NMSP]; Nai Htin, NMSP vice chairman; Nai Tin Aung, Nai Aung Naing, and Nai Soe Myint, NMSP members; and Peace Negotiators Nai Khin Maung, Nai Pe Tin, and U Hkun Myat at the Defense Services Guest House on Inya Road at 1800 today.

Also present were Brigadier General Myo Thant, minister of SLORC Chairman's Office; Information Minister Major General Aye Kyaw; Colonel Kyaw Win, deputy director from the Directorate of Defense Services Intelligence; Lieutenant Colonel Pe Nyein, director general of the SLORC Office; and responsible personnel.

Buddhist Defectors Rejoin Main Karen Army

BK2608123895 Bangkok BANGKOK POST in English 26 Aug 95 p 3

[FBIS Transcribed Text] Eleven Buddhist Karens yesterday rejoined the Karen National Union from which they had defected to help Rangoon forces crush the rebels' headquarters at Manerplaw opposite Tak's Tha Song Yang District last year.

The eleven who recently defected from the Democratic Karen Buddhist Army (DKBA) handed a rifle, a flag and some documents to the KNU's 7th Brigade commander Col Johny.

All the defectors were reportedly from the Buddhist Karens' headquarters in Myainggyingu village about 50 kilometres west of Tha Song Yang.

The village accommodates over 7,000 families under the supervision of Phra Thuzana, a monk who is the top leader of the Democratic Karen Buddhist Organisation (DKBO), according to Saw Mya Win, 29, a defector who joined the DKBO in December last year.

"The Burmese government does not give special care to the people in the camp," said the Karen defector.

Most villagers suffered water and food shortages because the new settlement was located very far from the border, he said.

Saw Mya Win said he decided to defect to the KNU because he did not want to live in danger since the Burmese forces appeared to distrust him.

Col Johny said many DKBA troops wanted to return to the KNU but were blocked by Burmese troops. Some were reluctant to leave because the Burmese army had spread rumours that the KNU would kill all defectors.

"All Buddhist Karens and their soldiers are welcome," said Col Johny. He also denied the KNU had ever killed those who defected to join the DKBA.

Following the DKBA's defection from the KNU last year, the Buddhist Karens have been staging cross-border operations in continued attempts to attack Karen refugee camps and abduct KNU leaders who had taken refuge on Thai border, and herd Karen refugees back into Burma.

Around 300-400 armed DKBA men are expected to be deployed along the Burmese side of the Salween River from the area opposite Ban Mae Sam Laep. Thousands of others are stationed in the area opposite Tha Song Yang.

Thai Army Commander-in-Chief Gen Wimon Wongwanit had suggested that all Karen refugees now scattered in five districts of Tak be housed at one centre deeper inside Thailand.

A border source said fighting between Burmese troops and Karen minority forces along the Thai-Burmese border was expected to intensify.

A Karen officer expected more DKBA defectors to seek refuge in Thailand.

ABSDF 'Press Release' on New Military Alliance

BK2808110095 (Internet) BurmaNet News in English 28 Aug 95

["Press Release" issued by Zaw Min, joint secretary for foreign affairs of the All Burma Students' Democratic Front, on 25 August; place not given]

[FBIS Transcribed Text] Following the SLORC's [State Law and Order Restoration Council], breaking of ceasefire agreement with KNPP [Karenni National Progressive Party], and increasing of sending troops to the KNPP area to wipe out KNPP members from their native area, leaders of the Karenni National Progressive Party (KNPP), All Burma Students' Democratic Front (ABSDF), Mergui/Tavoy United Front [MTUF] and Social Democrats, Burma (SDB) organized a meeting aiming to find out an appropriate way to help the KNPP, at a secret location of Burma near Thai-Burma border, on August 17, 1995.

The violation of the ceasefire by the SLORC has led to the critical military situation in the KNPP area. To support the KNPP in its just struggles and to initiate a genuine country-wide national reconciliation, the military alliance was formed.

The members agreed to cooperate and help each other.

The meeting agreed to strengthen the line of communication and exchange of information amongst the group.

A meeting will be done very soon for the extension and promotion of cooperative work.

The meeting assigned U Nyi Htwe of SDB as a Coordinator of the military alliance.

The Alliance reiterated that they will continue their struggle until the achievement of their goals despite any difficulties.

The Alliance calls on the international community to impose effective sanctions against the SLORC until a genuine democratic government is formed with the mandate of the entire people of Burma.

Attendants:

1. U Raymond Htoo	General Secretary	KNPP
2. U Saw Han	Chairman	MTUF
3. U Sein Yin	Member	MTUF
4. U Moe Thee Zun	Chairman	ABSDF
5. U Aung Thu Nyein	Vice-Chairman	ABSDF
6. U Win Min	Joint-General Secretary	ABSDF
7. U Zaw Min	Joint-Secretary	ABSDF
8. U Nyi Htwe	Chairman	SDB
9. U Than Lwin	Executive Director	SDB

Khun Sa Said To Name Ethnic Shan Party Head

OW2908080495 Tokyo KYODO in English
0741 GMT 29 Aug 95

[FBIS Transcribed Text] Yangon, Aug. 29 KYODO — A drug warlord in Myanmar's [Burma's] Shan State on the border with Thailand recently reorganized his Shan State National Congress (SSNC) party, installing Kan Sit as new party chief in an effort to heal ethnic conflicts within rebel groups in the state, according to reports reaching Yangon [Rangoon].

Khun Sa, seen by some as merely a drug trafficker but by many in Shan as a leader in the struggle against Myanmar's ruling military junta, made the reorganization following the revolt of some Shan leaders in the warlord's Mong Tai Army.

Kan Sit was earlier placed under house arrest by Khun Sa when Shan leaders Kan Ywet and Dae Wain in the north of the state broke away to form the Shan State National Army (SSNA) on July 7, in opposition to the Mong Tai Army.

Also in the reorganization, Khun Sa gave the job of vice chairman of SSNC to his trusted aide Chan Hsu Shin, who is also chief of staff of the Mong Tai Army.

The men's friendship goes back a long way, and both Khun Sa and Chan Hsu Shin are ethnic Chinese. The latter was a major in the Chinese Nationalist Army which retreated to Shan State from Yunnan in China after their defeat by Chinese communists in 1949.

Khun Sa once worked for the intelligence bureau of Taiwan's Defense Ministry, before teaming up in the 1960s with another Chinese nationalist officer, Gen. Li Wen-huan, to trade in opium in northwestern Thailand, according to official records.

Dissension between ethnic Chinese and Shan members of Khun Sa's Mong Tai Army came out into the open in June.

In a joint statement by the two breakaway Shan leaders Kan Ywet and Dae Wain upon their formation of the SSNA in July, they accused Khun Sa of creating discontentment among the ethnic minorities within the Mong Tai Army.

Khun Sa's installing of a Shan leader as party boss is seen by local observers as an attempt to ease tension between the Shans and the ethnic Chinese in the Mong Tai Army, at a time when pressure from Yangon's troops is mounting.

But they add that the attempt is unlikely to change either Khun Sa's image or relieve the tension within the Mong Tai Army.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Condemns Response to Sarajevo Attack

BK2908085495 Kuala Lumpur Voice of Malaysia in English 0800 GMT 29 Aug 95

[FBIS Transcribed Text] Datuk Sri Dr. Mahathir Mohamed, in his strongest criticism yet against the United Nations and the North Atlantic Treaty Organization, today accused them of participating in the Serb massacre of Bosnians. Describing the two bodies as hypocrites, the prime minister said this was evident in the bloody artillery attack on the market in the Bosnian capital of Sarajevo that killed 37 and injured 85 people yesterday.

Expressing disgust for the attack, he said the UN did absolutely nothing because its personnel were not hurt.

He suspected that the reason the UN did not do anything while the Serbs massacred the Bosnians was to force the Bosnian Government to accept the United States peace plan. The West was all out to ensure that the plan was accepted by the Bosnians and until they did, the West would allow the Serbs to continue with the killings.

The prime minister also slammed the Rapid Development Force set up by the UN for not doing anything to protect Sarajevo from being attacked.

Mahathir Comments on Bosnian Arms Embargo

BK2808080395 Kuala Lumpur THE STAR in English 28 Aug 95

[Received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia wants to settle the issue on whether the arms embargo against the Bosnian Muslims contradicts the UN Charter, Datuk Sri Dr Mahathir Mohamed said yesterday.

"Some countries feel that the embargo is against the UN Charter, while others don't. We need to settle this," he said.

Dr Mahathir said this point would be among the issues discussed at a meeting of the Organisation of Islamic Conference (OIC) and United Nations Protection Force (Unprofor) member countries to be held here.

He said the meeting would also discuss the question of arms supply to Bosnia-Herzegovina.

"We will discuss this because we know that although we have agreed to supply and sell weapons to Bosnia, the West will definitely stop us so that the Bosnian Muslims will remain unarmed and can easily be slaughtered by the Serbs. This is what the Western people want.

"I am being frank and please mention this (in the newspapers). Sometimes you people are a bit scared to mention this," he said.

The Prime Minister was commenting on reports that Malaysia had obtained the support of the OIC and Unprofor countries to host a meeting here to discuss a peace initiative to end the Bosnian war.

On whether the Western contact group could attend the meeting, the Prime Minister said this required approval from the OIC contact group.

Dr Mahathir described his week-long visit to the two African nations as a resounding success, adding that his delegation had established good rapport with their counterparts.

OIC Agrees To Meet on Bosnia 'Next Month'

BK2808110295 Kuala Lumpur NEW SUNDAY TIMES in English 27 Aug 95 p 1

[Report by M. Jeffri Razali]

[FBIS Transcribed Text] Kuala Lumpur, Sat. [26 August] — Malaysia has obtained the support of the Organisation of Islamic Conference [OIC] Contact Group and its member countries participating in the United Nations Protection Force (Unprofor) to host a meeting here next month to discuss a peace initiative to end the war in Bosnia-Herzegovina .

The agreement was conveyed to a Malaysian team of Defence and Foreign Ministry officials which visited several of the Contact Group countries recently.

The meeting will be attended by OIC defence and foreign ministers and armed forces chiefs.

The Malaysian team, which included Armed Forces Chief Jen. [General] Tan Sri Ismail Omar and Foreign Ministry Secretary General Tan Sri Ahmad Kamil Jaafar, was reported to have visited several OIC countries, including Turkey, Morocco, and Iran.

Defence Minister Datuk Syed Hamid Albar said today Malaysia was in the final process of compiling feedback from several other OIC countries before proceedding with the meeting.

He said this was important as a common agenda on the Bosnian issue had to be drawn up to enable the meeting to deal specifically with the matter.

"If everything goes on as planned, we will host the meeting next month."

Syed Hamid told this to newsmen after a briefing-cum-dialogue with Malaysian Ex-Servicemen's Association members at Wisma Pahlawan here.

Indonesian President Suharto, as head of the 112-member Nonaligned Movement (NAM), had also proposed to take up a similar initiative with Jakarta likely to be considered as the venue of the meeting.

The NAM chairman's executive assistant, Nana Sutresna, was quoted yesterday by REUTERS as saying the leaders of Bosnia, Croatia, and Serbia have confirmed their willingness to participate in the initiative during a recent trip the former made to the Balkans.

Syed Hamid said the Malaysian team visited the OIC member countries to identify common concerns to the problems facing the Bosnians before bringing it up at the special meeting here.

"Once we have all the information, it will be easier for the meeting to come up with a resolution pertaining to the matter," he said.

The Malaysian team's visit was the result of a resolution passed during the OIC Contact Group meeting in Geneva last month on the Bosnian issue.

The meeting decided that the defence and foreign ministers and armed forces chiefs of the Contact Group and OIC members involved in Unprofor get together to discuss the Bosnian problems and find ways to solve them.

The Contact Group comprising Senegal, Iran, Turkey, Egypt, Morocco, Pakistan, Saudi Arabia, and Malaysia have earlier declared that the United Nations arms embargo on Bosnia-Herzegovina as invalid and also voiced their intention of supplying arms to the Bosnians.

Syed Hamid said next month's meeting would also underline the actions to be taken by the OIC member countries serving in Bosnia should the UN decide to pull out.

"Whatever it is, the Contact Group prefers that the UN continue to be present in Bosnia. However, if the time comes for a pullout, they want to be ready for that," he added.

Mahathir: EAEC To Promote Open Regionalism

BK2808112195 Kuala Lumpur RTM Television Network 3 in Malay 0530 GMT 28 Aug 95

[FBIS Translated Text] Prime Minister Datuk Sri Dr. Mahathir has said that most regions have agreed on the creation of open regionalism. He believes that open regionalism will not result in trade blocs, and as such ASEAN's proposal for an EAEC [East Asia Economic Caucus] should be viewed positively. He was addressing the fourth Asia-Pacific Management Consultant Conference in Kuala Lumpur today. He said that other countries need not worry about the formation of EAEC because it is intended to promote open regionalism:

[Begin Mahathir recording in English, in progress] ...EAEC is not exclusive. EAEC is a caucus within APEC [Asia-Pacific Economic Cooperation], just like NAFTA can be viewed as also a caucus within APEC, and there is nothing to fear from the EAEC. EAEC is intended to promote open regionalism and will be transparent. [end recording]

He added that although the population of the Asian region is made up of various groups, they all have the same objective — to be prosperous:

[Begin Mahathir recording, in English] Southeast Asia is different from Northeast Asia, yet we have some common values. The bottom line is our collective willingness to find common ground so that we can move in one direction toward the 21st century. [end recording]

Dr. Mahathir said he hopes that the two-day conference, attended by 100 leaders of local and foreign industries, will be able to see the challenges, merits, and prospects of the EAEC. The conference is organized by the Asian Strategy and Leadership Institute, ASLI.

Minister Opposes Australia, New Zealand in EAEC

BK2808104595 Kuala Lumpur Voice of Malaysia in English 0800 GMT 28 Aug 95

[FBIS Transcribed Text] There is no need for Australia and New Zealand to be included in the East Asia Economic Caucus, EAEC, as their involvement in the region could be better served through the ASEAN-Closer Economic Relations, CER, linkage. International Trade and Industry Minister Datuk Sri Rafidah Aziz said ASEAN-CER is a much better arrangement, which could enable the private sector of the two regions to exploit the fresh potential in the Asia-Pacific. The first ASEAN-CER meeting will be held in conjunction with the forthcoming ASEAN economic ministers meeting in Brunei next month.

She said this in response to Japan's [word indistinct] insistence that New Zealand and Australia be included in the caucus as among conditions for Tokyo's entry into the EAEC. CER is a trading arrangement between Australia and New Zealand aimed at forging closer economic link between the two countries.

Minister on 'Sensitive' Agricultural Products

BK2508064995 Kuala Lumpur THE STAR in English 25 Aug 95 p 3

[FBIS Transcribed Text] Singapore—Malaysia has asked Asean to allow member countries to assess the status of "sensitive" agricultural products in determining tariff levels under the Asean Free Trade Area (Afta) programme.

Agriculture Minister Datuk Amar Dr. Sulaiman Daud said further consideration should be given to such products under the Common Effective Preferential Tariff (CEPT) Scheme and called for a mechanism to be established under Afta for this.

At the 17th Asean agriculture and forestry ministerial meeting here yesterday, he said the incorporation of the sensitive items in CEPT would affect the livelihood of Malaysian farmers. "There are some items that some country may not want included."

Malaysia also proposed greater exchange of experience and expertise among Asean members to enhance conservation and development of forest resources on a sustainable basis by the year 2000.

Exports of Wood Products Increasing

95SE0176A Kuala Lumpur BERITA HARIAN in Malay 12 Jul 95 p 5

[FBIS Translated Text] Kuala Lumpur, 11 Jul—The value of exports of wood products rose by 5.1 percent last year, from 12.9 billion ringgit in 1993 to 13.5 billion ringgit, making them the main contributor to national revenues from the aspect of foreign exchange based on commodities.

The value of exports of two other principal commodities, petroleum and gas, was 11.4 billion ringgit.

Zainal Abidin Ahmad, director of the Malaysian Timber Industry Board (MTIB), said that of total wood products exports last year, 1.5 billion ringgit came from wood and rattan furniture, a 49-percent increase from 1.02 billion ringgit in 1993.

"The MTIB set an export target of 2 billion ringgit for furniture this year, and because of performance during the first two months of this year, we are confident we will reach that goal.

"The value of furniture exports during that period was 232 million ringgit, with 220 million ringgit coming from exports of wood furniture, while 12 million ringgit came from rattan exports," he said here today in an interview with representatives of the mass media.

Zainal Abidin said that the MTIB is expanding its marketing programs, which include sponsoring and participating in international exhibitions for introducing Malaysian wood products, particularly furniture, to the whole world.

The 1995 Malaysian International Furniture Fair in March, which was the first time such a fair was held in Malaysia, was successful in expanding the marketing of furniture made from domestic woods, particularly rubber.

About 56.35 million ringgit ($23 million) were earned from direct sales during the exhibition, while sales still under negotiation amount to 188.65 million ringgit ($77 million).

"We are confident that orders will continue to increase, and they are expected to reach 487.55 million ringgit ($199 million) by the end of this year," he said.

He said that 15,000 people in the furniture business participated in the exhibition and that there were 2,400 buyers from overseas, particularly from the United States and Australia.

Singapore

Investors Commit to Suzhou Industrial Project

BK2808144895 Singapore BUSINESS TIMES in English 28 Aug 95

[Received via Internet]

[FBIS Transcribed Text] Suzhou — Singapore's flagship project in China, the Suzhou industrial township, took a significant step forward yesterday with 13 new investors committing nearly US$300 million (S [Singapore dollars] $427 million) to bring total investments in the venture to about US$1.5 billion.

At the same time, two major Japanese conglomerates — Mitsui & Co and Mitsubishi Corporation — took a joint stake in the Singapore- led consortium developing the township. They will together be the 21st partner in the consortium.

The 13 new investors are from the US, Germany, Denmark, China and Singapore. Among them are major American firms such as Eli Lilly, a pharmaceutical company, and Harris Semiconductor; German engineering giant MTU Friedrichshafen; and Singapore's Eastgate, a leading manufacturer of CD-ROMs [compact disk-read only memory].

Senior Minister Lee Kuan Yew, who witnessed a signing ceremony for the new investors yesterday, said a "critical breakthrough" had been achieved in the project.

He said he was pleased to learn that efforts to transfer Singapore's "software", or management expertise, to Suzhou were progressing well. This was crucial for the project's success, he added.

The Singapore government, he said, was determined to make the Suzhou township a success, as the Singapore "brand-name", in which foreign investors had confidence, was at stake. If Suzhou worked, Singapore would be able to set up industrial parks elsewhere.

Jiangsu province vice-governor Yang Xiao Tang [name as received] later noted that the first phase of the project had been implemented successfully. He said the provincial government had studied plans for Phases 2 and 3 and was likely to give its approval soon. The US$30 billion, 70 sq km township, located 80 km west of Shanghai, is being built jointly by a Singapore group led by Keppel Corp and a Suzhou-Jiangsu consortium. Several other major agreements were also signed at the 50-minute ceremony, held at the scenic Dongshan Guesthouse in Suzhou.

These included a US$141 million contract in which the township authorities bought half the generating capacity of a Chinese coal-fired power plant in Zhenjiang, about 200 km north-west of Suzhou.

Summing up the project's progress during a meeting with Jiangsu leaders, Mr Lee urged them to brace themselves for stiff competition from other industrial parks in China and elsewhere. They should do so by offering better quality services to foreign investors, rather than just lower costs.

Indonesia

Youth Jailed for Antigovernment Magazine

BK2908043795 Jakarta THE JAKARTA POST in English 25 Aug 95 p 1

[FBIS Transcribed Text] Jakarta (JP) — An office boy was sentenced yesterday to 20 months imprisonment after the Central Jakarta District Court found him guilty of helping distribute a magazine that allegedly incited public hatred of the government.

Handing down the sentence, presiding judge Suharjo said that Danang Kukuh Wardoyo, 19, had been found guilty of helping activists Ahmad Taufik and Eko Maryadi, of the unrecognized Alliance of Independent Journalists (AJI), sow hatred and enmity against the government with the distribution and sale of AJI's unlicensed publication INDEPENDEN.

Under the existing regulations, all publications are required to have publishing licenses issued by the Ministry of Information.

Danang, the judge said, also helped Eko serve subscribers of INDEPENDEN and took part in selling the magazines to guests at a reception organized by AJI at the Wisata International Hotel on March 16, where Danang Eko and Ahmad were arrested.

Eko and Ahmad are awaiting verdicts, at the same court on charges of spreading animosity against the government and insulting it. Both are former journalists of the banned TEMPO magazine.

AJI was founded after the government banned three weeklies, DETIK, TEMPO and EDITOR in June last year.

The government banned INDEPENDEN in March, but so far has not outlawed AJI. However, after government pressure, some AJI members working for local media have been forced to resign from their jobs, or have been forced to take non-editorial positions.

"I sentence Danang Kukuh Maryadi to one year and eight months in prison, with the six months he has already spent in custody deducted," the judge said, stressing that his activities could spark social unrest and disturb national unity.

Prosecutor Meity Joseph had earlier demanded that the defendant be sentenced to 30 months in prison.

The verdict was greeted by cries of "Fascist court," "Allahu Akbar (Allah is Great)" and "What kind of a tribunal is this?"

Danang, reportedly hired on a monthly salary of Rp 100,000 (U.S.$44) by AJI, is said to be the youngest person jailed on political charges in Indonesia.

Responding to the verdict Danang said he was sad and disappointed and that he would appeal.

Danang's lawyer, Luhut M.P. Pangaribuan, also expressed his disappointment and insisted that the judge's decision has no legal basis whatsoever. He said the judge should have taken into account the fact that the defendant was a mere office boy and only obeying instructions.

"Those under orders cannot be held responsible for what is done, the analogy can be drawn between a military commander and the soldiers he leads," Luhut said.

The verdict was also being questioned by AJI. It forwarded in a statement three points questioning the decision made by the judge.

First, Danang, who was convicted of assisting Ahmad and Eko in sowing hatred against the government has been sentenced, while Ahmad and Eko themselves have not been found guilty.

Second, one year and eight months for Danang, as a mere office helper, is unfair compared with the verdict handed down to a 21-year-old female student activist who was sentenced to 14 months imprisonment last year for allegedly insulting President Suharto.

Third, the judge's ruling is also unfair when compared to the one-year imprisonment demanded by the prosecutor for soothsayer Permadi, who is being tried at the Sleman District Court, Yogyakarta on charges of insulting Prophet Muhammad through allegedly blasphemous remarks he made during a seminar last year.

Exercise With New Zealand Air Force Begins

BK2808144595 Jakarta ANTARA in Indonesian 1148 GMT 28 Aug 95

[Passages in italics received in English]

[FBIS Translated Excerpt] Medan, 28 Aug (ANTARA) — Air Commodore I Gede Sudana, commander of the First Air Force Operations Command, opened a joint exercise between the Indonesian Air Force and the

Royal New Zealand Air Force [RNZAF] codenamed "Elang Sebrang 1995" in Medan on Monday.

I Gede Sudana and Air Commodore G.J. Goldsmith of the RNZAF, who were accompanied by an officer in charge of the opening ceremony, earlier inspected personnel and conferred participation insignias on an Indonesian Air Force pilot and an RNZAF pilot respectively, signalling the start of the joint exercise.

The commander of the First Air Force Operations Command said in his speech that the joint exercise codenamed "Elang Sebrang 1995" involving 200 Indonesian Air Force personnel and 118 RNZAF personnel was the second joint exercise after the first one in Madiun in 1979.

"The joint exercise between the Indonesian Air Force and the RNZAF is designed to further strengthen relations between the air forces of the two friendly countries and enhance the capabilities of personnel of the two air forces in air combat operations," he said. [passage omitted]

Colonel Suprihadi, head of the Education and Training Unit of the Air Force Exercises Operations Directorate, said earlier that the joint exercise involving 11 aircraft would cover mainly *"air-to- ground combat," "ship strike,"* and midair refueling.

"The main tasks are intended to enhance the professionalism of pilots of A-4 Skyhawk and KC-130 aircraft belonging to the Indonesian Air Force and the experience of pilots of A-4 Skyhawks belonging the RNZAF," he said. [passage omitted]

Bank Governor on Signs of Economy Overheating

BK2908075895 Jakarta MERDEKA in Indonesian 29 Aug 95 p 1

[Passages in italics published in English]

[FBIS Translated Excerpt] Jakarta, Monday, MERDEKA — The possibility of the growing economy risking *overheating* must be monitored.

This was stated by Sudrajad Jiwandono, governor of the Bank of Indonesia [the country's central bank], when he delivered a speech entitled "Macroeconomic and Banking Policies to Support the Competitiveness of the Indonesian Economy" before participants of a Department of Trade meeting in Jakarta on Monday [28 August].

He said that signs of the economy *overheating* were felt this year. The relative high inflation rate is one indication of that possibility.

"The inflation rate from January to July this year reached 6.09 percent, compared to 5.96 percent for the same period last year," Sudrajad said.

Indications of these risks were visible in the high growth of nonoil and nongas imports. Nonoil and nongas imports are projected to remain strong in 1995 in line with national economic growth.

As the world economy grows, nonoil and nongas exports are expected to grow, too. However, the growth in exports will lead to further deficits in the services sector. Current account deficits are expected to reach U.S. $3.6 billion, higher than those for the 1994-95 period.

Considering these problems, the authorities will continue to adopt a cautious monetary policy to ensure continued economic growth this year.

The macroeconomic policy covers fiscal measures and other measures to manage expenses and revenue to support the implementation of a balanced and dynamic budget.

The cautious and consistent monetary policy is designed to prevent the rupiah from fluctuating easily, to strongly control the inflation rate, and to ensure that the exchange rate between the rupiah and other currencies will remain realistic. [passage omitted]

Habibie Discusses Strategic Industry Board

95SE0171C Jakarta GATRA in Indonesian 22 Jul 95 p 80

[FBIS Translated Text] The status of the Strategic Industry Management Board (BPIS) has suddenly come into the limelight. This happened during an exchange of views before DPR [Parliament] Commission I on Monday of last week [10 July], when Minister of State for Research and Technology B.J. Habibie, who is also head of the BPIS, presented a recommendation that the status of the BPIS be changed to that of a "holding company." The plan is apparently related to efforts to resolve the problem being faced by several strategic industries under BPIS control. The problem is that not all of the 10 companies under the BPIS are able to garner profits.

The companies still suffering losses, as revealed by Minister Habibie in early February, include PT [Limited Company] Nusantara Aircraft Industry (IPTN) and PT Naval Industry (PAL). Their losses are mostly caused by the cash payment system imposed on buyers. "It is not that the products are bad," Habibie said. The strategic industries under the BPIS are PT Army Industry (produces firearms), IPTN (aircraft), PT Dahana (explosives), PAL (ships), PT Krakatau Steel (steel), PT

Boma Bisma (heavy equipment), PT Bharata (heavy equipment), PT Railway Industry (railway equipment), PT Telecommunications Industry (telecommunications equipment), and PT National Electronics Board (electronics equipment).

After speaking on Friday of last week [14 July] at a program of the ORBIT (Association for Parental Guidance) Amal Abadi Scholarship Foundation in the auditorium of the Agency for Study and Application of Technology (BPPT) in Jakarta, Minister Habibie (59) gave some answers to questions from GATRA's Aries Kelana about the reasons for changing the BPIS to a holding company. Excerpts follow:

[GATRA] What about the plan for making the BPIS a holding company?

[Habibie] It is in progress. Up to now, the 10 companies under the BPIS have had individual responsibility, such as for paying taxes, profit-and-loss reports, and so forth, whereas, overall, the BPIS has always been profitable. If one of them suffers losses, however, it has to be supplied with capital.

[GATRA] And if the BPIS becomes a holding company?

[Habibie] It will be a made a holding company so that the supply of capital can be made quickly. It could be done in a moment. Capital could be moved from a profitable company to a losing one so that it could come out of its negative position.

[GATRA] Will it not be difficult for the government to monitor, to know which companies under the BPIS are losing and which are profitable?

[Habibie] Oh, no, because there are general meetings of stockholders. Finances will still be examined by the BPKP (Finance and Development Oversight Board) and the BPK (Financial Accounting Board), and accountability will remain the same. If you look at it, the government's revenues will be just the same. The government now receives from the profitable and does not receive from the losers. That matter will be the same. I feel it will be more efficient.

[GATRA] What about project implementation?

[Habibie] Project implementation will remain with each company, but each one can't do everything. If a company under the BPIS wants to subcontract with another one, it must be at standard prices. Interest will be the same. For example, if a ship is built, there are pumps and electricity. Those can be subcontracted within the BPIS structure. Payment will be fast.

[GATRA] Will financial management be combined?

[Habibie] Financial systems will remain with each, but matters will be delegated and controlled to speed up movement. Not only finances, but technology transfer, too, will be faster.

Financier Predicts Higher Jakarta Stock Index

95SE0171A Jakarta SUARA KARYA in Indonesian 17 Jul 95 p 7

[FBIS Translated Text] Jakarta (SUARA KARYA)—Kelvin Lee, managing director of PT [Limited Company] AIA Investment Indonesia, says he is optimistic that the IHSG [combined share price index] will continue to rise in 1995 and will reach 600 points by the end of the year. "I am confident that the IHSG will reach a point of about 600, plus or minus 5-10 percent," he said last week in Jakarta. If that happens, the Indonesian exchange will show a better performance than in 1994.

He said this movement in the IHSG began to be felt when automated trading was initiated at the end of May. From the beginning of the year until April, the IHSG constantly fluctuated but tended to rise until it once almost reached 400 points. In May, the index slowly began to climb although remaining under 500.

The initiation of automated trading at the end of May then had a positive impact on the index. Ultimately, in early July the index broke the 500 mark, and it is expected to continue to rise until the end of this year.

Kelvin Lee said that as of August, many positive measures are being expedited by the government in connection with Indonesia's 50th Independence Anniversary. "Those measures and the improvements on world exchanges ultimately have had positive impact on the exchange," Kelvin Lee said.

The 0.25-percent interest rate reduction made by the U.S. Federal Reserve Board will also spur the market and raise the index. Kelvin Lee added that among the exchanges now expanding, the Indonesian capital market will be the investment choice attractive to foreign investors. "They will leave Tokyo, because its exchange has begun to plummet," he said.

Fell 20 Percent

Meanwhile, Bacelius Ruru, chairman of the Capital Market Oversight Board (BAPEPAM), said that the IHSG of the PT Jakarta Stock Exchange (BEJ), fell about 20 percent in 1994. "These conditions occurred not only on the Indonesian stock market, but also on international markets," Ruru said.

A Goldman Sachs report said that stock market performance in the ASEAN region in 1994 showed a considerable decline. "After very good performance in 1993, world exchanges passed through 1994 under various pressures," the Goldman Sachs report said.

The greatest index decline was on the Malaysian stock market, where it fell by 23.8 percent. Thailand occupied the second position with an index decline of 22.4 percent, and it was followed by the Indonesian exchange in third place.

Fourth place was occupied by the Philippines, with an index decline of 15.8 percent. The lowest position was held by the Singapore exchange, which experienced an index decline of only 12 percent. In the Asia region, an index with a big drop was that of the Hong Kong exchange, at 31.3 percent. Goldman Sachs also reported that the average IHSG decline on the main world exchanges last year was 11 percent.

He said that the causes for the decline in these indices in the various countries had almost the same patterns. On the Indonesian exchange itself, the main causes were external factors of a macro nature, such as rising interest rates, inflation, and appreciation of the yen against the U.S. dollar.

The totals of transactions on the BEJ, BES [Surabaya Stock Exchange], and BPI [expansion unknown] in 1994 were 25.45 trillion rupiah, 1.76 trillion rupiah, and 1.26 trillion rupiah, respectively. "Although these transaction totals were higher than in the previous years, the turnover rate of stock ownership is still considered very low," Ruru added.

As an example, the total number of shares listed on the BEJ as of 31 December 1994 was about 23 billion, but transactions involved only about 5 billion shares, or 21.74 percent. The turnover rate of stock ownership on the BES was even lower at 2.5 percent of about 20 billion listed shares.

The BPI had a better share ownership turnover, in which the volume of transactions was greater than the number of listed shares. As of the end of 1994, 76 million shares were listed on the exchange, while the transaction volume reached 78 million shares.

Minister Cites Prevalence of Corruption

95SE0175A Jakarta KOMPAS in Indonesian 21 Jul 95 pp 1, 11

[FBIS Translated Text] Surabaya (KOMPAS)—Corruption, collusion, and manipulation have been growing in Indonesia as fast as economic growth and have expanded into numerous fields of activity because of the moral and ethical weaknesses of participants in the economy. The law, regulations, and legislation may be right for preventing all this, but, because ethics and morals are also matters of tradition, example from the top is the only way to create a system of values.

This was the thread running through the lecture presented Thursday, 20 July, by Minister of Transmigration Siswono Yudohusodo to a seminar in Surabaya on the democratization of the economy under a national development that is oriented to the people and to humanitarianism.

The seminar, held by the DPD [Regional Executive Board] of the East Java KNPI [Indonesian National Youth Committee], also featured, among others, Prof. Dr. Sri-Edi Swasono, chairman of the Indonesian Cooperatives Council (DEKOPIN); and Adi Sasono, chairman of the Board of Directors of the Center for Information and Development Studies (CIDES).

According to Siswono, the very extensive "loot" derived from corruption, collusion, and manipulation is for society no longer a question of whether it "exists" or "does not exist," but whether the size of it is "still appropriate" or "inappropriate."

Ironically, Siswono said, such conditions not only exist in the bureaucracy and among participants in the economy, but they have also possessed community social organizations. This is reflected in the fact that there are directors who cannot account for the use of their organizations' money or for aid that "evaporates." "I remember the worry of Pak Hatta [the late Vice President Mohammad Hatta] that corruption had become 'culture,'" he said.

Siswono then cited the results of a study made by Transparency International, an independent research group centered in Berlin, which were carried by the most recent edition of the influential German magazine DER SPIEGEL under the headline "Top of the Best Corruption" [as published] and which were also carried by the daily newspaper MEDIA INDONESIA. The study found that in a ranking of countries in order of prevalence of corruption, Indonesia occupied the top position, with the lowest rating of 1.94.

"In other words, corruption exists in almost every sector," Siswono said. China held second place, while New Zealand occupied the lowest place (number 40) with a rating of 9.55 (almost 10), showing that New Zealand is nearly free of corruption.

Example

Siswono said the report should not be greeted with anger. "We must be introspective. With heavy hearts, we must acknowledge the fact, and we must accept it with deep concern and with a determination to stop corruption," he said.

Siswono did not give an explicit description of "clean government." He said, however, that openness and responsible attitudes on the part of the state apparatus are very important factors in resolving the deviations that occur. We should also encourage improvement through argumentation and oversight by the community.

He believes that the law, regulations, and legislation may, in fact, cover all such deviations. However, because moral and ethical questions are also questions of traditional public attitudes—whether things are "permitted or not permitted," "good or bad," "right or wrong," or "appropriate or inappropriate"—example from the top is the only way to create a system of values, Siswono said.

He gave an example of collusion in business, saying it is very unethical for a child or family member of a regional transmigration office chief to participate in transmigration project tenders in areas under the authority of the father. "It would be very hard to make an objective evaluation, because the evaluator would be the subordinate of the father," he continued.

That does not mean that the children of officials may not conduct business. "They may, as long as they do not use the power of their fathers and do not act contrary to the interests of the public," Siswono added. Such an attitude should be embraced by all children of officials, such as district chiefs and governors. In the case of higher and even higher officials, he said, "The conscience must speak, for we can never lie to our own consciences."

Speaking to KOMPAS outside the seminar, Siswono acknowledged that great economic growth has made us weak morally and ethically. "Character is no longer taught in schools," he complained.

It is not surprising that later on, more and more values are turned upside down. For example, a worker may be called "diligent" by his colleagues. Giving an example of manipulation, Siswono said, "The more that person lies to get a bigger bank loan, the more he is called 'terrific.' That is strange."

People's Economy

In his lecture yesterday, Siswono strongly emphasized that the Indonesian understanding of democracy does not call for either economic or political conglomerates. "The 1945 Constitution is not 'anti-big.' It is merely 'anti-big' against those who create economic autocracy, who centralize and control economic assets, who create monopolies, and who ignore the interests of the people," he stressed.

He said that what is needed now is a strategy for controlling the strong and encouraging the weak. The strong should be controlled to strengthen the weak. "The strength of the people's economy, as the strength of the nation and of development, must grow and expand, because I believe that the people's economic strength is the most secure and stable basis for development," Siswono said.

Philippines

Senate President Angara Accuses Ramos on Ouster

BK2908004995 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 28 Aug 95

[FBIS Translated Text] Senator Edgardo Angara accused President Ramos of being the brains behind his ouster. Senator Angara was ousted as senate president in an election held yesterday. According to Angara, the move was taken to maintain President Ramos in his position after 1998.

[Begin Angara recording in progress, in English] ...to navigate that very tricky river, but let the events show what it means, let the developments show what the motivation and what the reason for it, if there is. [end recording]

Executive Secretary Ruben Torres strongly denied the accusations. According to Torres, Malacanang has no knowledge of Angara's accusations. Angara was removed as senate president yesterday. Sixteen senators voted against him. Senator Neptali Gonzales is expected to replace him.

[Begin recording, in English] [Gonzales] The reports earlier published that there might be a change in the leadership of the senate is entirely not without any basis and that probably sooner than the public may expect. There might be indeed a change in the leadership.

[Unidentified correspondent] There must be some reasons behind it, sir, to ... [sentence unfinished]

[Gonzales] I really do not know (too), but it must be an accumulation of several reasons. [end recording]

Switzerland To Return Alleged Marcos Wealth

BK2908021895 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 28 Aug 95

[FBIS Translated Text] Millions of dollars suspected to be part of the hidden wealth of the Marcos family has been awarded to the Philippine Government. The money had been deposited in Swiss banks. However, many are expected to claim a share of the money. Jiggy Manicad has more details:

[Begin Manicad recording] Former First lady Imelda Marcos welcomed the decision of the Swiss federal court order to return $356 million to the Philippines. Mrs. Marcos said the decision provides an opportunity to fulfill former President Ferdinand Marcos's request. Based on his testament, he wants to share his wealth to the Filipino people.

According to National Security Adviser Jose Almonte, the amount is part of alleged $20 billion in hidden wealth of the Marcoses.

Solicitor-General Raul Goco is apprehensive and feels that the return of the money to the government will not be easy. He said other claimants may block the transfer and appeal against the decision. The possible claimants include the victims of human rights violations during the Marcos regime.

For GMA Balita [News], Jiggy Manicad reporting. [end recording]

Mindanao-Darwin Trade Accord Signed

BK2808110595 Quezon City MALAYA in English 24 Aug 95 p 12

[FBIS Transcribed Text] A six-point agreement expanding trade and tourism has been signed by officials of Mindanao and Australia's Northern Territory.

Presidential Assistant for Mindanao Paul Dominguez said the agreement, which was signed in Darwin, is one of several bilateral agreements signed during President Ramos' state visit to Australia.

The Mindanao-Darwin accord involves joint cooperation in the development of mineral, energy, agriculture, forest and fishery resources; trade and support services; infrastructure development and environmental management; transport and tourism services; health and education training; and exchange of technical expertise and technology.

Dominguez said the agreement is not only beneficial to the development of Mindanao but also to the East Asean Growth Area.

Mindanao and Darwin initiated mutual cooperation last year.

Thailand

Suphachai on Government Structure, U.S. Trade

95SE0159B Bangkok MATICHON in Thai 19 Jun 95 p 7

[Report on interview with former Deputy Prime Minister Suphachai Phanitchaphak]

[FBIS Translated Excerpt] [Passage omitted] "We have taken steps to open world markets. We have made Thailand part of the world economy. Thailand's name is now on the world economic map. If the new government wants to raise the issue of the world economy, it must make a comparison with the things that this government has done during the past two years and seven months."

He also said that people often say that as far as economic matters are concerned, there are limits to what a single party can do. But that is wrong.

"Thailand does not lack talented leaders. But those in charge of administering things must understand the fundamentals of administering the Thai bureaucracy, where international economic administration is divided among four or five ministries. This is something that is very complex. Matters pertaining to APEC [Asia Pacific Economic Cooperation] are under the jurisdiction of the Ministry of Foreign Affairs while matters pertaining to AFTA [ASEAN Free Trade Area] are handled by the Ministry of Finance. Bilateral trade negotiations are handled by the Ministry of Commerce. On the other hand, the World Trade Organization [WTO] is not the responsibility of anyone. We still don't know where to put it. I have had to handle things myself.

"Some parties have said that Thailand will be just like other countries. But I think that we will have to reform the bureaucracy first. People should not try to win votes by telling people that a single party or a single person in a party can link Thailand to the world market. Because there are various aspects of the Thai bureaucracy that will have to be reformed. We need personnel. These four-five ministries must all know what the others are doing and coordinate things. Otherwise, they will each go their separate ways, because each person has a chance to show what he can do within his own ministry. If, for example, the Ministry of Foreign Affairs carries out its own economic agenda, the country will suffer. The policy of the Ministry of Foreign Affairs is to understand economic issues and try to engage in diplomatic and political negotiations so that other countries will accept Thailand's economic policies. It shouldn't be implementing policies in competition with the Ministry of Commerce.

"If ministries go their own way and try to handle things on their own, Thailand will lose a good opportunity to negotiate various issues. For example, Thailand enjoys an advantage regarding goods and services, such as establishing banks, which is something that many countries want very much. But we are at a disadvantage when it comes to agriculture. Instead of people negotiating things on their own, we should be working together on this. That would give us greater bargaining power.

"What the government and I are doing now in an effort to solve this problem—although we probably won't have a chance to continue with this—is establish a National Economic Policy Office. It would be responsible for overseeing international trade. It would be similar to the Office of the National Economic and Social Development Board and the National Energy Policy Office. Each ministry is concerned with a different set of issues. Even though we have the Policy Committee on International Economics, it does not have the authority to give orders to the ministries. Only the cabinet can do that. Thus, it's difficult for this committee to do much.

"If this office is established, we will be able to put APEC, AFTA, and WTO issues, the special economic zones, and the Mekong River Basin Project, all of which have to do with economic policy, under the control of one large committee. We will be able to engage in trade negotiations with one voice instead of dividing things as is the case today."

As for the international economic problems now confronting Thailand, Mr. Suphachai said that other countries have taken retaliatory measures against Thailand, claiming that Thailand has flooded markets. At the same time, other countries have flooded our markets with goods. But Thailand doesn't have any weapons with which to respond.

"I think that the present trend is very worrisome. The United States, for example, has imposed a 30-50 percent import duty on our canned pineapple, which is quite ruthless. And Europe has blocked our goods, charging that we are flooding their markets. Take microwaves as an example. Because they couldn't compete against us, they implemented protectionist measures. Indonesia has flooded our glass market, but we can't do anything about that. When this administration first took office, one of the first things we did was to push for a law "to prevent market flooding." The cabinet promulgated a decree and submitted this to parliament. But after parliament was dissolved, that was the end of the matter. This bill is very important, because from now on, market flooding will be a very important trade issue. Thailand will have to take action against other countries. We, too, must be able to respond."

All of these issues seem rather remote. But each one will have a long-term impact on the daily lives of the Thai people. This includes the issue of opening rice markets, which will have a direct effect on the majority of the country's farmers. And the fact that Thailand's markets are being flooded with goods will have a direct effect on both traders in Thailand and consumers.

In the past, Mr. Suphachai worked in this field as a neutral person as part of the quota of the Democrat Party. But this time, he is running for election. If the Democrat Party has a chance to form another government, he will have a chance continue with this work.

"I am not an MP. I am doing my best. But if I win election to parliament, that might make it easier to work with other parties. Because at the very least, I will be on an equal footing with them as a member of parliament.

"But I want to preserve my position as someone who is neutral. In carrying out my duties, I have never thought that I was doing something for the sake of the Democrat Party. Rather, I have worked to benefit the country."

Chatchai Discusses Burma Policy

95SE0157A Bangkok THAN SETTHAKIT in Thai 28-30 Jun 95 pp 10, 11

[Interview with National Development Party Leader Chatchai Chunhawan by unidentified reporter; date and place not given]

[FBIS Translated Excerpt] [Passage omitted] [THAN SETTHAKIT] What is your viewpoint and position on the Burma issue?

[Chatchai] It should not be forgotten that I know the Burmese leaders. I was the one who seized Kengtung. I lived in the upper [Golden] Triangle. The triangle is composed of two parts. The lower encompasses parts of Burma, Thailand, and Laos, and the upper encompasses parts of China, Burma, and Laos. I lived in the Burmese-Lao part for three years and so I know the triangle very well. Thus, I don't expect anyone to argue with me about things there. I served with a reconnaissance unit in the cavalry. We patrolled every area there. Later on, we withdrew our military forces. During the period 1944-1957, I lived in Burma for another 18 months. General Li and General Tuan took me there. I became friends with Ne Win. I grew to like Burma and became friends with Ne Win. As for associating with Burma, it must be understood that the three Indochina countries are communist countries. They have not changed, but we have. We have had a number of governments. We can have dealings with them, because we aren't concerned about the type of administrative system. We can deal with all of them. What is Burma? It's a dictatorship. But let me ask, What was the difference between Stalin and Hitler? Stalin was a communist, right? And Hitler was a dictator. Burma is a dictatorship. The three Indochina countries are communist. We now have contact with the communist countries. What is the difference between Stalin and Hitler? Two days ago, Ne Win's daughter opened a hotel and invited me to go there. I asked her why she had invited me. I am not in the government; I am just a member of parliament. She said that five astrologers had said that it would be auspicious if I opened the hotel. I asked General Ne Win why I had been invited. He said that his daughter had consulted some astrologers, who said that the hotel would prosper if I attended the opening of the hotel. That was why I was invited.

[THAN SETTHAKIT] The international community may oppose our having any dealings with Burma. Is there anything to worry about with respect to that?

[Chatchai] We will certainly be attacked. But let me tell you about [Aung San] Suu Kyi. It's said that she was elected, and so why wasn't she allowed to take office? I visited Pegu. They had closed the oil refinery there. The reason they closed it was because it had been built by the British. I saw a large number of pagodas there, with the bases in the sand. I asked why they had closed the oil wells there. They had closed them because it was the British who had discovered them. They hate the English. The Burmese are afraid of being ruled by a queen. England was ruled by a queen when it seized control of Burma. Suu Kyi is a woman. But they have said that even though she is a woman, she can serve as prime minister. The problem is, her husband is English. During ceremonies, her husband always stands behind her as if England is again in control of Burma. From my point of view, that is just a matter of bad luck. If she was married to a Burmese, things would probably be fine now.

[THAN SETTHAKIT] How will we deal with our friends in the world if we become too close to Burma?

[Chatchai] When I visited President Bush in the United States, people there held demonstrations. I said that if there were demonstrations, I would not speak but that I would speak to congressmen. Five congressmen came and criticized Thailand for buying timber from Burma. They said that that had two negative consequences. First, it helped Burma, which was a dictatorship, and second, it destroyed the environment. I said that the trees were located along the Thai-Burmese border, and at that time, we did not know the exact location of the border. We did not know if the timber was actually from Burma or Thailand. But it was claimed that the timber came from Burma. That's usually how it's done. Trees are cut in Thailand, but it's claimed that they came from Burma. I was asked what the Thai teak was used for. I said it was used to make furniture. The conflict between Thailand and Burma has still not been resolved and so it it difficult to say whose timber it is. But at that time, there was no Burmese timber coming into Thailand. Timber smuggling was going on, however. Our policy is not to have any dealings with the minority groups. We are not supporting the ethnic minority groups. In my view, if we don't Burma to be a dictatorship, then Burma must have dealings with Thailand. [passage omitted]

Logging Trade With Khmer Rouge Examined

95SE0159A Bangkok MATICHON in Thai 19 Jun 95 p 31

[Article by Watcharin Yongsiri]

[FBIS Translated Excerpt] There had been reports that the Global Witness organization of England had written a research report on the logging trade between Thailand and Cambodia. This report was released to the mass media just recently. One of the interesting things discussed in the report was the logging trade between Thai companies and the Khmer Rouge, which is a very sensitive issue. This was like exposing the secret trade between Thailand and the Khmer Rouge. Thus, the charges that Thailand is supporting the Khmer Rouge may have a basis in fact. There are huge profits to be earned from selling timber to Thailand, and the Khmer Rouge can use the money earned to purchase weapons for use in its struggle against the Cambodian government. In the face of such charges, the Thai government should take steps to improve Thailand's image in the eyes of the world; otherwise, Thailand will be condemned for being two-faced. That is, on one hand, we say that we recognize the elected Cambodian government, but on the other hand, we continue trading with the Khmer Rouge.

After the administration of General Chatchai Chunhawan put a ban on logging activities effective 14 January 1989, Thailand experienced a shortage of timber. Because of this, the government permitted timber to be imported from the Indochina countries and Burma. Cambodia is one of the places that businessmen turned to to purchase timber for import into Thailand, and they requested timber concessions. This is because 75 percent of the country was covered by forests. Moreover, Cambodia was still recovering from the war and needed money to restore its economy. Thus, the forests were an important natural resource, and the Phnom Penh government of Hun Sen granted logging concessions to foreign businessmen, including businessmen from Thailand, in order to earn revenues for the country.

But the logging operations, or timber concessions, in Cambodia were different from those in Laos and Burma. This is because of the effect of the political problems in Cambodia. Looking back at 1988 when the government of General Chatchai opened trade between Thailand and Cambodia, administrative power in Cambodia was divided among four factions. The Hun Sen government in Phnom Penh controlled 90 percent of the country.

The three opposition factions, that is, the Prince Sihanouk faction, the Khmer Serei faction of Son Sann, and the Khmer Rouge, controlled the remaining 10 percent along the Thai-Cambodian border. In accord with international law, Thailand recognized the Cambodian coalition government, which held a seat in the United Nations. We did not recognize the government in Phnom Penh. Thus, Thai businessmen who wanted to purchase timber or request a logging concession within the area controlled by a particular faction had to sign a contract or request a concession from the faction that controlled that area. The Thai-Cambodian border extends for 801 km. At that time, the zones of control were roughly divided as follows: The northern zone opposite Surin Province was controlled by Prince Sihanouk's faction; the southwestern zone opposite Chanthaburi Province was controlled by the Khmer Rouge; the western zone opposite Sa Kaeo Province was controlled by the Khmer Serei and the Phnom Penh government; and the southern zone opposite Trat Province was controlled by the Phnom Penh government. [passage omitted]

During the period 1989-1992, which was the initial period of logging operations between Thailand and Cambodia, Thai companies could easily purchase timber and request logging concessions from the various Cambodian factions in the various zones opposite Thai provinces. They could submit requests to the Ministry of Interior to open temporary border points to import timber. And the various Cambodian factions were quite willing to sell timber in order to earn money for their faction. In effect, whoever had the longest reach could rake in the money. Preventing the Khmer Rouge from participating in the logging trade was not an issue. [passage omitted]

The UN Security Council passed Resolution 792/1992 denouncing the Khmer Rouge. This resolution prohibited all Cambodian factions from exporting logs. This went into effect on 1 January 1993. Thus, midnight of 31 December 1992 was the "deadline," after which Thailand had to close the temporary border points and prohibit the import of timber from Cambodia. And that was the final day for trade between the Khmer Rouge and neighboring countries. The purpose of this resolution was to cut the income of the Khmer Rouge, which earned most of its income from selling timber and gemstones to Thailand. This income totaled about $10 million a year. If this trade continued, the Khmer Rouge would be able to earn money to purchase weapons and build up its forces. And it would refuse to participate in the second phase of the peace process, that is, disarming its forces, reducing the size of its combat forces, and agreeing to participate in the general election after signing the Peace Agreement in Paris. This resolution had a great effect on Thailand.

However, after Resolution 792/1992 was issued, some Thai companies continued engaging in logging operations in the Khmer Rouge zone, and they are still doing so today. From a legal standpoint, these Thai companies are guilty of not requesting logging concessions from the Cambodian government. Thailand has recognized the Cambodian government, and our two governments have established diplomatic relations. Thus, other countries and even the Cambodian government think that because private Thai companies continue to engage in the logging trade with the Khmer Rouge, Thailand is supporting the Khmer Rouge. The Khmer Rouge uses most of the money it earns from the logging trade to purchase weapons. Moreover, caches of arms have been found along the Thai-Cambodian border. Thus, the Cambodian government has frequently accused Thailand of supporting the Khmer Rouge. In the eyes of the people of the world, it will be difficult for Thailand to deny that it is supporting the Khmer Rouge, because most of the money earned by the Khmer Rouge from engaging in logging operations comes from Thailand. It is Thailand that engages in logging operations with the Khmer Rouge, because we share a common border with Cambodia, particularly opposite the areas controlled by the Khmer Rouge.

Is Thailand engaged only in logging operations, or is it also involved in the political problems in Cambodia? Why are Thais still engaged in the logging trade with the Khmer Rouge even though an economic embargo was imposed in 1993 and the Cambodian government banned the export of timber in 1995? These are questions that must be answered.

The Cambodian government has banned the export of logs and lumber. That ban went into effect on 30 April 1995. Prior to that, on 1 January 1995, it banned the felling of timber in Cambodia but permitted people to export timber that had already been cut. It imposed this ban because the forested area of Cambodia has declined to 40 percent of the total land area.

How great an effect has this announcement by the Cambodian government had on the logging operations of Thai companies? What steps will the Thai government take to help these companies solve the problems? I have read the reports published by Global Witness, and I visited the Thai-Cambodian border area last May after Cambodia banned the export of timber. What I found is that large quantities of timber are still being smuggled into Thailand by boat and truck. For example, at the Kanpangha Port in Khlong Yai District, Trat Province, boats bring in about 6,300 cubic meters of lumber a week. Several Thai companies have signed five-year and two-year agreements with the Khmer Rouge to operate timber concessions. Thus, because of the logging trade with the Khmer Rouge, the ban imposed by the Cambodian government has not had any effect whatsoever.

I think that what has been happening shows Thailand's insincerity with respect to the logging trade with Cambodia. On one hand, the Thai government seems to support Cambodia's laws. But on the other hand, even though it has said that the border is closed, it has allowed private companies to engage in logging operations in the Khmer Rouge zone. Thus, it is an accomplice in logging operations along the Thai-Cambodian border. An important document of Global Witness states that on 28 March 1995, Major General Sanan Khachonprasat, the minister of interior issued a temporary permit to the Chao Phraya Akkhane Company to import 30,000 cubic meters of timber. Even though the Thai government has announced that the border has been closed and the Cambodian government has announced a ban on timber operations, this company has signed a two-year agreement with the Khmer Rouge. This shows that the officials responsible have been influenced by the power of money, money paid by this Thai company to maintain its interests.

In order to deal with the Cambodian government in a sincere manner and solve the problems that have arisen as a result of the logging trade, there should be government-to-government contact in order to negotiate an agreement. The Cambodian government, which was elected to office in 1993, formed four main ministries: the Ministry of Finance, the Ministry of Commerce, the Ministry of Agriculture, and the Ministry of Foreign Affairs. These were the ministries that were responsible for granting timber concessions and collecting tariffs. Then in June 1994, a decree was issued that granted this power to the Ministry of Defense instead of those four ministries. Thus, we should be dealing with the proper channel, that is, the Ministry of Defense, in order to discuss relaxing the ban on timber exports. When the economic embargo was placed on the Khmer Rouge, about 27 Thai companies faced potential losses in their logging operations. The Thai government requested a three-month extension, that is, from January to March 1994, so that these companies could transport the remaining timber to Thailand. That totaled 617,578 cubic meters of logs and 79,637 cubic meters of lumber.

I think that the Thai government should have firm principles in dealing with Cambodian law. If Cambodia bans the export of timber, Thailand should negotiate with them to have the Cambodian government take responsibility for the losses suffered by the Thai companies that have invested there. But Thailand should comply with those laws. If the Cambodian government cannot compensate the companies for their losses, we can ask that the ban be relaxed so that timber can be taken out. The Thai government should not allow private companies to smuggle timber out of Cambodia through Khmer Rouge-controlled zones or secretly engage in trade with the Khmer Rouge after announcing that Thailand will respect Cambodia's laws and regulations.

If we act in accord with the wishes of these private companies, we will destroy the country's good image. The Thai government should take resolute action against these illegal activities so that Cambodia's forest conservation measures can have an effect. [passage omitted]

Further Reaction to Army Radio Program

Army Commander Reaffirms 'No Coup'

BK2808155495 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 28 Aug 95

[FBIS Translated Text] Army Commander General Wimon Wongwanit reaffirmed that there will be no coup as long as he remains in the position and criticized those who believe that the military plans to stage a coup.

General Wimon appealed to everyone to stop talking about the article recently broadcast by Sayamanusati radio program because it merely presented facts.

The army commander added that those accusing the military of planning to seize power again are regarded as subjectivists who want to creat conflicts. He said:

[Begin Wimon recording] Personally, I can say that as long as I am in this position and the army is as it is now, there will be no coup. However, I cannot guarantee that in the next hundreds of years. We do not know what will happen in the future. I believe that there should not be any coup attempts at present or in the future of our lifetime. [End recording]

Meanwhile, Vice Admiral Kraithip Sirisombat, director of the Supreme Command Information Office, said that nobody can guarantee that the military will or will not stage a coup. However, as things are at present, there is no reason for the military to stage a coup. He said that everyone should know that soldiers are also part of the population and society.

Editorial: Radio Comment 'Legitimate'

BK2808132495 Bangkok MATICHON in Thai 28 Aug 95 p 2

[Editorial: "A Warning From the Military to the Government"]

[FBIS Translated Text] If the comment on the army radio's Sayamanusati program in the early morning of 25 August were normal, people would not have been jittery trying to check out the story, and all daily newspapers would not have run it as a major issue with big banner headlines. The article on "Soaring Prices" broadcast on the army radio's Sayamanusati program is worth studying to know what really happened, what the army was up to, and what the government of Prime Minister Banhan Sinlapa-acha should do.

The problem of the rising cost of living is well accepted among the general public, and it is the low income bracket that has been hit hard. Yet, the government, especially the Commerce Ministry, has done nothing to solve the problem. It was therefore legitimate and justifiable for the army radio to have brought up this social problem for discussion. All attention, however, has been focusing on the inefficiency of past governments as well as the current one.

In conclusion, the Sayamanusati article says: "In the not too distant future, we shall have a strong social administrator who has the courage to create justice in our society. Until then, we shall have no more problems with unrealistically high prices." Several questions cropped up — when does the "not too distant future" occur; where and how shall we get a strong social leadership; and is there any guarantee that such a leadership would be able to keep prices below the exorbitant level.

The army radio network had for quite some time refrained from broadcasting articles criticizing government performance. There had been no issue about the army radio taking the government to task during the administration of Prime Minister Chuan Likphai. It is only this time, during the government of Prime Minister Banhan Sinlapa-acha, that the army radio is making itself heard again, and this has caused the people to wonder whether the army radio, which is the mouthpiece of the army, is making greater headway into the political arena.

The government of Prime Minister Banhan Sinlapa-acha should take this opportunity to conduct a thorough scrutiny of itself to see whether the appointed cabinet ministers to oversee trade and businesses are really efficient and suitable. They should be replaced if they are not capable. The appointment of cabinet ministers should be based on an individual's capability, not on the question of seniority or quota allocation to political parties. As for the army radio, there should be a limit to its comments so that the general public would not be misled into thinking that the soldiers are heading back to their old tradition once again. This will also prove the truth of the saying: "the new generation of soldiers cherish democracy."

Criticism Said Aimed at Minister

BK2908031195 Bangkok BANGKOK POST in English 29 Aug 95 pp 1, 8

[FBIS Transcribed Text] The Sayammanutsati editorial aired on military radio last Friday was designed to express the dissatisfaction felt in some army factions over Defence Minister Chawalit Yongchaiyut's objections to the annual military reshuffle list.

This is the explanation which Cabinet sources gave yesterday after a meeting called by Prime Minister Banhan Sinlapa-acha of the leaders and secretaries-general of the seven coalition parties.

The sources, who were present at the meeting, said that Gen Chawalit gave a briefing on the criticisms of the Government contained in the radio programme.

The cabinet believes that the criticisms were expressed because of Gen Chawalit's objections to the proposed promotion to key army posts of certain officers involved in the Black May incident.

One such officer is thought to be Gen Chainarong Nunphakdi. The sources said that, under the reshuffle list put forward by retiring Army chief Gen Wimon Wongwanit, Gen Chainarong is being proposed for the post of assistant army commander-in-chief.

Gen Chainarong is a relative of Gen Itsaraphong Nunphakdi, a former army chief and strongman in the National Peace-keeping Council.

During the Black May incident, Gen Chainarong, who then commanded the First Army Region, was in charge of the troops which opened fire on unarmed pro-democracy demonstrators.

The sources said after the briefing that they believe the recent pointed army criticisms of the Government stem from dissatisfaction over Gen Chawalit's "interference" in opposing the promotion of Gen Chainarong.

They also believe it is a means of gauging the public reaction to a political role by the military.

They said that Army News, which has ridiculed the Government's political reform attempts, also has a role in this attempt to press the Government not to make changes to the annual military reshuffle list coming up at the end of October.

The article in question appeared under the by-line "Lt Col Thatthiam Yiamnakhon", reportedly the pen-name of Col Chongsak Phanitkun.

Col Chongsak, the Army Public Relations director, is said to be close to this group of officers.

The Sayammanutsati radio programme is produced by the civilian affairs department which is under the responsibility of Lt-Gen Chaturit Phromsakha Na Sakon Nakhon.

Lt-Gen Chaturit, the Assistant Army Chief-of-Staff for Civilian Affairs, was a classmate of Gen Chainarong (Class 11 of Chunlachomklao Military Academy).

The sources are confident that the matter will not get out of hand, because the military has been sharply criticised by pro- democracy groups.

Prime Minister Banhan confirmed to reporters that the meeting of the coalition party leaders and their secretaries general did discuss the high consumer prices which were criticised by the military radio.

But he said that it should no longer be a problem because the military has "good intentions" and is "not out to get the Government".

He said he has ordered the Commerce Ministry to bring out cheap goods to sell to the public through the various cooperatives.

Justice Minister Chaloem Yubamrung also said that they discussed the issue, saying the military has a right to criticise because "it is a fact that these goods are expensive".

He said he does not think the criticisms are designed to put pressure on the Government.

Army Commander-in-Chief Gen Wimon Wongwanit defended the military's sharp criticism of the Government.

Gen Wimon, who retires at the end of next month, denied that the army-controlled Sayammanutsati radio programme was politically motivated in its editorial.

The programme was aimed at informing the Government about the suffering the public is being subjected to by soaring commodities prices, he said.

The army chief said the public will suffer further if the Government is not able to tackle this problem.

Gen Wimon, who was visibly frustrated when asked to comment, said some newspapers are guilty of exaggeration, giving the public to understand that the army will get involved in a push for a political change if nothing is done to remedy the problem.

He said misleading newspaper reports have helped create public confusion over the issue, the press has tried to spread misleading reports suggesting that the military is testing the ground for a coup d'etat. That, he said, is untrue.

The programme, aired on all army radio stations last Friday, said that it is time for a courageous "social manager" or "administrator of society" to take charge and tackle the country's problems.

The army commander, who is reportedly at odds with Defence Minister Gen Chawalit declined to comment when asked about the minister's earlier statement that it might be improper for the army to air such harsh criticisms of the government.

He said that anyone who makes negative comments about the army might be an opponent of the army. "The one who is worried about another round of coup might be getting a smell of himself," he quipped.

The army commander, widely known to be short-tempered, gave an assurance that there will be no coup while he is army chief and if nothing is done to "cause damage".

However, he said sarcastically that he cannot give such a pledge for the next 100 years, saying that political change is entirely dependent on the political situation.

"At present there will be no such thing in the army, but how can we guarantee this for the next hundred years? It depends on conditions which occur in the future which no one can foresee. Naturally I don't think there will be such a thing, but once it's beyond a certain point I don't know," he said.

Banhan Sets Term for Ceding Interior Post

BK2808063195 Bangkok THE NATION in English 28 Aug 95 p A 1, 2

[FBIS Transcribed Text] In a highly delicate move apparently designed to stave off Chat Thai infighting but which may drastically backfire, Prime Minister Banhan Sinlapa-acha has declared that he would continue doubling as interior minister until the Police Department became a new ministry.

He denied yesterday he had ever promised to hand over the portfolio "after six months", completely shrugging off simmering pressure from within his factionalized party in which key members have fought both openly and behind the scene for the powerful Interior portfolio.

Banhan said the process of upgrading the Police Department would take time, and that it would not be finished during this parliamentary session.

"I'll need three months to study which agencies should be separated from the Interior Ministry and go with the police ministry," Banhan said in an interview with Nation publisher Suthichai Yun.

"The process will be finished around the next parliamentary session. It won't be ready for this session."

The next session begins in December. If the upgrade is delayed by the House, Banhan would stay in the powerful post longer than six months, the maximum period which several senior Chat Thai Party members have said the party leader would hold the portfolio.

Banhan said yesterday that he had never promised to step down as interior minister after six months in the job.

"The words 'six months' did not come from me," Banhan said.

The post of interior minister is reportedly being eyed by the leaders of three factions in Chat Thai-deputy leader Watthana Atsawahem, secretary-general Sano Thianthong and chief adviser Narong Wongwan. Their image problems and the need to halt their potentially explosive wrangling over the Interior portfolio prompted Banhan to "temporarily" assume the post.

Asked yesterday whose quota the Interior Ministry fell within, Banhan declined to say.

"Newspapers have said a lot about it. Some papers were correct and some were not," he said.

Last week, Watthana apparently increased pressure on Banhan to step down as interior minister and limit himself to the premiership. He said many party members, including himself, were ready to take up the Interior portfolio immediately.

Watthana said he did not think that Banhan could effectively be both prime minister and interior minister.

Political observers said the infighting for the portfolio was the most delicate issue facing Banhan and could lead to the collapse of the coalition if he failed to pacify disaffected party members.

Banharn last week floated the idea of a police ministry following pressure from Watthana. The observers said Banharn might be trying to create "enough shares" for all the squabbling factions.

But even if the speculation is true, whether increasingly impatient strongmen of Chat Thai can wait that long is a major question. Banhan yesterday strongly denied that the Police Ministry idea was motivated by the party conflicts.

"I am not dividing the ministry to create more posts. I had the idea long ago. Now is a good opportunity to implement the plan that is politically impossible unless the prime minister and interior minister are the same person," he said.

"Past and future governments could not do this. If the prime minister and interior minister were not the same man, it would be impossible (to separate the Police Department from the ministry) Now I am receiving full cooperation from permanent officials to do it," Banhan said.

Banhan said the Interior Ministry was too big a bureaucracy.

He said he would listen to the opinions of all sides before deciding how to go about separating the Police Department and other related agencies, and grouping them in a new ministry.

"I am confident that it will be done in my term and all the problems will be settled at that time," Banhan said.

The prime minister admitted that he had not had enough time for his party members recently.

The prime minister said he had no problems doubling as interior minister.

"I go to the Interior Ministry every day to check if they have any problems. If a problem exists, I'll make a decision. I carry the paper work home. I sign about 20 files a day and finish the paper work around 1 am.

"No one could dupe me into signing anything incorrect. If the figures are incorrect, I'll know it and tell them to change them " Banhan said.

Banhan Cabinet Members Profiled

95SE0174A Bangkok MATICHON in Thai 19 Jul 95 pp 10, 11

[FBIS Translated Excerpt] [Passage omitted] Charat Phuachuai, minister attached to the Office of the Prime Minister:

He was born on 24 September 1949. He earned a B.A. degree from Chiang Mai University, Faculty of Arts. He worked at the Lom Sak branch of the Thai Farmers Bank for a short time and then ran for election. This is his seventh term as an MP [member of parliament] from Phetchabun Province. He has been a member of several political parties, starting with the Social Action Party in 1979. But in 1983, he ran for election as a member of the Community Action Party. And in 1992, he became a member of the Moral Force Party.

He has held several political positions, including deputy minister of communications and, most recently, deputy speaker of the House. This time, Police Lieutenant Colonel Thaksin Chinnawat, the party leader, chose him for the position of minister attached to the Office of the Prime Minister even though he has no experience in that area. He will be responsible for overseeing the Office of the Highway Traffic System Management Board and the Bangkok Trolley Organization. The goal is to solve the traffic problem within 6 months. He is part of the party leader's "traffic dream team." [passage omitted]

Ruangwit Lik, minister attached to the Office of the Prime Minister:

He was born on 26 May 1940. He earned his B.A. degree from Bang Saen College. He became involved in local politics, serving as a member of the Kamphaengphet provincial council in 1975 and 1980. This is his sixth term as an MP. The first time he won election to parliament, he was a member of the Social Action Party. That time, he served as an adviser to the deputy prime minister. In 1986 he became a member of the United Democracy Party and served as an adviser to the minister of agriculture. In 1988 he joined the group of Narong Wongwan, who formed the Thai Unity Party. When this became the Justice Unity Party during the heyday of the National Peacekeeping Council, he followed Mr. Narong and joined this party.

After the National Peacekeeping Council left power, the Justice Unity Party had to cease its activities. The followers of Mr. Narong all flocked to the Chat Thai Party, where they formed the Thoetthai faction.

After the leader of this faction failed to win election, it was thought that Mr. Ruangwit would be appointed minister of interior. But he was opposed by Mr. Suchat Tancharoen, a younger man from the same faction. Also, Mr. Sanoh Thiangthong weighed in as party secretary. In the end, Banhan Silapa-acha took both positions and so Mr. Ruangwit had to be content to serve in the Office of the Prime Minister.

Rakkiat Sukhathana, minister attached to the Office of the Prime Minister:

He was born on 4 April 1954. After earning a degree in law from Ramkhamhaeng University, he ran for election in Udon Thani Province. He first won election to parliament in 1983 and has now been an MP for six terms. He has always been a member of the Social Action Party. In 1988 he thought about joining the Democrat Party but decided to stay with Montri Phongphanit.

He is one of the five ministers from the Social Action Party. In his first appointment, he has been appointed to a position that has the prestige of a minister. Prior to this, he served as the secretary to the minister of agriculture and to the minister of science.

Phokhin Phonlakun, minister attached to the Office of the Prime Minister:

He was born on 15 April 1952. He is an alumnus of Assumption School and earned his law degree from Thammasat University, graduating with honors. He was awarded a scholarship to continue his studies in France. After earning his doctorate in public law, he returned to Thailand and went to work for the International Organizations Department, Ministry of Foreign Affairs. Later, he worked as an instructor with the Faculty of Law at Ramkhamhaeng University, working himself up to the position of vice rector for academic affairs. He has been close to General Chawalit Yongchaiyut for a long time and played an important role the first time that Gen. Chawalit served as minister of interior. It can be said that he knew everything about the work of the interior ministry. He was so highly regarded that he was appointed to the Police Commission. He is one of those appointed minister as part of the quota allotted to the leader of the New Aspiration Party. He is also a supporter of Mr. Banhan Silapa-acha and so it's no surprise that he has been appointed to this position. He also serves as the head of the government's policy team. It's said that he is the government's legal adviser and that he favors the position taken by Mr. Michai Ruchuphan when he served in the administration of General Prem Tinsulanon.

Dr. Prasong Bunphong, minister attached to the Office of the Prime Minister:

This is his fifth term as an MP from Nakhon Phanom Province. He began his political career with the Chat Thai Party and stayed with this party for three terms, serving as deputy minister of public health during the administration of General Chatchai Chunhawan. In 1992 he left this party and joined the New Aspiration Party led by Gen. Chawalit Yongchaiyut. But during the 1992 election, he was defeated and so Gen. Chawalit made him an adviser to the minister of interior, a position that he held for a year. He then ran in a by-election and was again elected to parliament in place of Mr. Thanong Siriprichaphong.

At that time, it was thought that he would be appointed minister, because the party leader had moved his family registration from Nonthaburi to Nakhon Phanom so that he could run for election there. Thus, Dr. Prasong provided an important base for the party leader in the province. When the New Aspiration Party swept the election in Nakhon Phanom Province, his appointment to a ministerial position was assured.

Piyanat Watcharaphon, minister attached to the Office of the Prime Minister:

He was born on 13 April 1949. He earned a degree in law from Thammasat University. He has been an MP since 1975 and will soon have served 10 terms.

He is loved by the people of Sisaket Province and has long been a star in parliament. He is very skilled in parliamentary debate. As for his political career, he has served mainly in the opposition. But he is known as a highly qualified MP. He was first appointed to a ministerial position, serving as minister of public health, during the administration of General Suchinda Khraprayun. But he held that position only 47 days. He gained great notoriety when he announced that he wanted to work for the people.

After the National Peacekeeping Council collapsed, he again gained public attention when he served as the lawyer defending those accused of assassinating the chief justice of the Supreme Court. Members of the Social Action Party used that as an excuse to expel him from the party. Thus, he ran for election this time as a member of Mr. Narong Wongwan's Thoetthai faction. Now, he has again been appointed minister as part of the Thoetthai faction's quota.

Chuchip Hansawat, minister of commerce:

He was born on 30 September 1944. He is a real fighter. Even though he won his first election to parliament in 1975 as a member of the Peace Party, during that period he switched parties and became a member of the Chat Thai Party in 1976. He has dominated the election scene in Pathumthani Province. Whenever the Chat Thai Party has been in the administration, Pathumthani Province has always been assured that it's MP would be appointed to a ministerial position. Thus, Chuchip is not a new face in the cabinet. Even though this is the first time that he has been appointed full minister, he has previously served as deputy minister of education and deputy minister of commerce.

Even though he does not have a degree in economics but a master's degree in engineering from the United States, he can rely on his experience as a deputy minister. Now, he has a chance to show Banhan his skills.

Montri Danphaibun, deputy minister of commerce:

He was born on 24 December 1952. He earned his B.S. degree in science from Kasetsat University. He has served as an MP from Lamphun Province since 1979, with this being his seventh term. He first entered politics as a member of the Thai Citizens Party. He then switched to the Social Action Party, where he stayed for two terms. He then switched parties again, becoming a member of the New Aspiration Party. He has long been in line for a ministerial position. This time, the party leader "pulled the visa" of Phaithun Kaeothong, and when the northern region was awarded two slots, he, along with Thawatwong Na Chiang Mai, was appointed deputy minister.

Acting 1st Lieutenant Phairot Suwannachawi, deputy minister of commerce:

He was born on 24 November 1949. He earned his bachelor's and master's degrees in political science from Thammasat University. He worked in the field of administration and was an outstanding district officer in Nakhon Ratchasima Province, where his father-in-law, Mr. Loet Hongkakdi, served as provincial governor. The last position that he held as an administrative official was that of district officer in Tha Yang District, Phetburi Province.

He decided to become involved in politics and in 1992 ran for election in Nakhon Ratchasima Province as a member of the National Development Party. After entering parliament, he joined forces with Newin Chitchop to form the Group of 16, which exerted great influence and caused rumors to fly. Most recently, he was involved in the feud with the Democrat Party over the issue involving the Land Reform Office, which ended with the Chuan Likphai administration having to leave office before the end of its four-year term. He has been an MP from three terms now. He switched parties and joined the Chat Thai Party and was given a position as compensation, because he has been given a "franchise" by the Thoetthai Group just like others in the group. [passage omitted]

Praphat Photsuthon, deputy minister of finance:

He was born on 1 August 1949. He earned his bachelor's and master's degrees from Arika University in India. He joined the Chat Thai Party and has been an MP from Zone 2 in Suphanburi Province for nine terms. He has never lost an election. In recent elections, he has served as a financial backer for the party in the upper northeast. His appointment as deputy finance minister is like returning home, because he held this position in the past.

Newin Chitchop, deputy minister of finance:

He was born on 4 October 1958. He earned a diploma from the Buriram Provincial Teachers College. He first became involved in politics in Buriram Province in 1978 as a member of the United Democrat Party. In early 1992, he joined the Justice Unity Party. During the 1992/2 election, he joined the Chaphokit Party. Most recently, he joined the Chat Thai Party and formed his own small group known as the Group of 16. He has done a variety of things in parliament. It can be said that he played a leading opposition role in monitoring the Chuan Likphai administration, particularly the Land Reform Office, which is the issue that caused the downfall of the Chuan administration.

During the campaign, Newin led his team to victory in the province. And he is close to Narong Wongwan. He has been rewarded for all his hard work with this position. [passage omitted]

Chingchai Mongkhontham, deputy minister of education:

He was born on 24 June 1951. He earned his bachelor's degree in education from Sinakharintharawirot University in Maha Sarakham Province. He was a teacher for a long time. Eventually, he decided to run for election. During his political career, he has both won and lost elections. The first time, he ran for election under the banner of the Social Justice Party and won election. He was a member of the National Democracy Party, the Progressive Party, and the Community Action Party, failing to win election every time he ran. He joined the New Aspiration Party during the 1992/1 election but was again defeated. He made a great effort during the 1992/2 election. And most recently, he did quite well.

Before he managed to be appointed deputy education minister, things had to be done secretly, because many of his fellow party members were opposed to his appointment. They did not think that he had the right qualifications. But in the end, he managed to get what he wanted. [passage omitted]

Wanmuhamatno Matha, minister of communications:

He was born on 11 May 1944. He earned his B.A. and M.A. degrees in education from Chulalongkorn University.

He worked as an instructor at the Yala Teachers College and worked his way up to vice rector of the Songkhla Teachers College. He has served as assistant secretary to the minister, member of the Military Subcommittee, adviser to the prime minister, and, most recently, deputy speaker of the House during the period 1992-1994.

This is his first time as a minister. He led five southern MPs to victory and has been rewarded with the position of minister of communications.

Sombat Uthaisang, deputy minister of communications:

He was born on 7 November 1936. He earned his degree in law from Thammasat University. He was in the same class as Mr. Praman Chansu and Mr. Sawai Phatano. He also attended the National Institute of Development Administration (NIDA) and the National Defense College, "B.R.O." curriculum, Class 1.

He worked for the Ministry of Education and then transferred to the Department of Transportation. He moved up the ranks, serving as ministry auditor, director-general of the Post and Telegraph Department, director-general of the Meteorological Department, and, most recently, deputy under secretary of the Ministry of Communications (communications section) and chairman of the board of the Communications Authority of Thailand. He has good relations with General Chawalit Yongchaiyut, the leader of the New Aspiration Party.

He was recognized as "Administrator of the Year" in 1994 and "Example of the Year" in 1989.

Phiraphong Thanomphongphan, deputy minister of communications:

He was born on 2 July 1948. He earned his B.S. degree in science from Chulalongkorn University and his M.A. degree in industrial engineering from the United States.

He once worked as a bank official and as an instructor at the Thonburi campus of the King Monkut's Institute of Technology. He served as an adviser to the minister of agriculture and cooperatives and as a member of the House Finance and Banking Subcommittee.

In 1994, he left the Moral Force Party and formed a new party called the Lak Siam Party. But the party was not successful and so he rejoined the Moral Force Party.

Somsak Thepsuthin, deputy minister of communications:

He was born on 13 January 1955. He earned his bachelor's degree in engineering from the King Monk's Institute of Technology.

He was a member of the Sukhothai provincial council before joining the Social Action Party. He has been an MP for six terms. He served as secretary to the minister of communications in 1988, deputy minister of public health in 1992, and deputy minister of communications in 1992.

Chaiyaphak Siriwat, deputy minister of communications:

He was born on 24 June 1956. He earned a bachelor's degree in applied science. For a time, he operated his own businesses, selling cars and yachts. He was a member of the People's Party and served as deputy minister of education in 1988. He was nicknamed "Senior Minister," because the then minister did not play much of a role and did not have the qualifications necessary to carry out his duties.

Following the events of May 1992, General Thianchai Sirisamphan and General Mana Ratrtanakoset got out of politics. As a result, Mr. Chaiyaphak moved up from deputy party secretary to leader of the People's Party. But because the party's ability to attract funds was limited, only one member of the party, Mr. Chaiyaphak, won election in 1992. In the recent election, he disbanded the party and joined the Thai Citizen Party. [passage omitted]

Chatchai Iasakun, deputy minister of agriculture:

He was born on 24 May 1955. He earned a bachelor's degree in economics from Kasetsat University and a master's degree from Northeastern University in Massachusetts. He began his political career in 1986 as a member of the Democrat Party. He joined the Than Tawan Party during the election of 1992/1. He has been a New Aspiration Party MP from Nong Khai Province for three consecutive terms. He once served as deputy minister of commerce.

Suwit Khunkitti, deputy minister of agriculture:

He was born on 17 October 1957. He earned his master's degree in chemistry from the United States. He has been an MP from Khon Kaen Province since 1976. He began his political career with the Social Action Party. He has also been a member of the Thai Unity Party and the Solidarity Party. He rejoined the Social Action Party following the events involving the National Peacekeeping Council. He is on the board of directors of the Thailand-Denmark Milk Company, which has a monopoly on selling milk for the Dairy Farming Promotion Organization of Thailand.

He presents the image of a young man who works hard in carrying out his legislative duties. He once served as minister of justice. He has also made good use of his good relations with senior people.

Monthon Kraiwatnutson, deputy minister of agriculture:

He was born on 3 April 1939. He earned a vocational certificate in commercial finance. People in Samut Sakhon know him better by his nickname, "Hia Mo," because of his involvement in fishing activities and the Monthon Refrigeration Company. He is the equal of any godfather and served as a canvasser for Chia Kakphon and helped him win several elections. He enjoys great prestige and that gave a foretaste of what would happen in his first run for election in the election of 1992/1. And during the recent election, he also helped his son, Udom Kraiwatnutson, win election to parliament. Because he is one of the party's financial backers, Hia Mo was able to beat his rival, Chaturon Chaisaeng, for the position of deputy minister as part of the party's quota for the central region. [passage omitted]

Chanchai Pathumrak, deputy minister of agriculture:

He was born on 11 April 1936. He graduated from Pho Chang [in Bangkok]. He ran for election for the first time in 1986, running in Nakhon Pathom Province as member of the Chat Thai Party. He has never lost an election. He is considered to be a senior politician. He has been considered for various positions many times, and this time he was finally appointed to a position as a reward for all that he has done.

Chaiyawat Sinsuwong, minister of industry:

At age 47, he is thought to have had great political success. The first time he won election to parliament, he was appointed minister. He has two bachelor's degrees, one in engineering from Chulalongkorn University and one in law from Ramkhamhaeng University.

In the past, he was, in political matters, the right-hand man of Major General Chamlong Simuang. In terms of his manner of dress, life style, manner of speech, and even his dogmatic political ideas, he is a replica of Major General Chamlong. That is because they worked together ever since the Santi Osoke office was established. And they worked together at the Bangkok administrative headquarters. Finally, he became involved in national politics.

Initially, it was said that he would be appointed deputy minister. But it certainly isn't surprising that he was appointed minister.

Sonthaya Khunplum, deputy minister of industry:

He was born on 10 December 1963. He earned a B.A. degree and has been involved in politics for three terms, serving as a member in three different parties. The first time was in 1992/1 as a member of the Justice Unity Party. The second time, he ran in the 1992/2 election in the name of the National Development Party. Most recently, he ran for election as a member of the Chat Thai Party together with his younger brother, Withaya Khunplum. With the speaking skills of Sanao Thianthong and the prestige of his father, Somchai Khunplum, or Kamnan Po, who detests Uthai Phimchaichon, a serious rival of his, he and the other five members on his slate won election to parliament from two zones. Because of this, they were allotted one seat in the cabinet.

Previously, Sonthaya gave up his position as assistant secretary to the minister of labor and allowed his brother to serve in that position and gain experience. This time, he was lucky enough to be appointed minister as part of the quota of the Chat Thai Party. Other MPs on the Chonburi team are jealous, but they can't say anything.

Anuson Wongwan, deputy minister of industry:

He is the political heir of Narong Wongwan. He earned a master's degree in engineering from North Carolina in the United States. After returning to Thailand, he went to work at the Thepphawong Company, which belongs to his father. The company expanded operations and entered into a joint venture with the Lao government to build a tobacco plant. Once he had sufficient capital and experience, he changed course and became involved in politics. His first step was to become involved in local politics.

He first became involved in national politics during the time of the Chatchai Chunhawan administration. When a seat in parliament from Lamphun Province opened up, Anuson easily managed to be appointed to the vacant seat. Anuson did not run in the recent election. But as if predestined, when his father, Narong Wongwan, failed to win election in Phrae Province amidst rumors that he has been involved in narcotics trafficking activities, Anuson had to step forward and replace his father in the political arena.

Suchat Tancharoen, deputy minister of interior:

He was born on 11 February 1958. He earned his master's degree in the United States. He ran for election for the first tie in 1986, winning a seat in parliament as a member of the Democrat Party. Later on, he switched and became a member of the Chat Thai Party. He served as deputy secretary to the prime minister, with his office in front of that of Bun-ua Prasoetsuwan, the present Speaker of the House. When the Justice Unity Party was formed, he switched to that party and played an important role alongside Narong Wongwan and his colleagues, who later on formed the Thoetthai group. After the May 1992 crisis, he joined the National Development Party and became one of the leaders of the Group of 16.

He is now one of the leaders of the Thoetthai group. Initially, it was thought that he would be appointed minister of interior or at least minister of some ministry. But he preferred the interior ministry because he served as deputy minister of interior during the Suchinda Khraprayun administration. That time, he served in that position for only 40 days. Now, he has been appointed deputy minister of interior once again.

Sudarat Keyuraphan, deputy minister of interior:

She was born on 1 May 1961. She earned her bachelor's degree in commerce and accounting from Chulalongkorn University and her master's degree in business administration from the Sasin Institute of Business Administration. Before running for election in 1992, she worked as a land developer. After winning election to parliament as a member of the Moral Force Party for the second time, she became the first woman in the country to hold the position of party secretary. And she also served as deputy minister of communications. In this election, even though Major General Chamlong was replaced as party leader by Police Lieutenant Colonel Thaksin Chinnawat, she still holds the position of party secretary, along with serving as deputy minister of interior, the first woman to hold this position.

Major General Sorachai Montriwat, deputy minister of interior:

He won election to parliament the first time he ran for election in Kanchanaburi Province. As for his educational background, after graduating from the Santi Ratsadon Amrung School, he attended upper secondary school and then earned his bachelor's degree at Idaho State University in the United States. After returning home, he worked as an instructor at Chulachomklao Royal Military Academy. He attended the Army Command and General Staff College. He has followed General Chawalit Yongchaiyut, the leader of the New Aspiration Party, ever since General Chawalit was a senior army officer. And when his "boss" left the military to engage in politics, "Staff Officer Nit" followed him and became his personal secretary. It's said that during the time that General Chawalit served as minister of interior, even though Major General Sorachai was still serving in the army, people in the interior ministry knew that he was actually the first deputy minister from the New Aspiration Party.

Many people were surprised when he left the New Aspiration Party and joined the party of Amnuai Wirawan. It's rumored that his old boss asked him to serve as a link between the two parties. He has come under personal attack, because he inherited land worth several billion baht. He has been [Chawalit's] right-hand man politically ever since he was in the military. Thus, he probably played a role in bringing the Nam Thai Party into the Banhan 1 government. As a reward, he was appointed deputy minister.

Kiettichai Chaichaorat, deputy minister of interior:

He was born on 11 December 1938. He graduated from Sakon Nakhon College. He is an MP from Udon Thani Province. He served as the deputy minister of industry during the period that the New Aspiration Party formed a coalition with the Democrat Party. When he was appointed to that position, his colleagues were shocked. This time, when he was appointed to an even higher position, people were shocked even more. It was not until the party leader explained things to people at his Sukhawit Rangsitphon home a few days ago that they understood the reason for this. In reality, he has been an important party supporter, giving "oxygen" to the party at a time when the party needed help during the recent election. Thus, everything has turned out well.

Editorial Views Press Freedom in Cambodia

BK2808100695 Bangkok THE NATION in English 28 Aug 95 p A 4

[Editorial: "Little To Be Gained From Shooting the Messenger"]

[FBIS Transcribed Text] It says much about the recent history of press freedom in Indochina that after four years of publishing, the PHNOM PENH POST is the oldest independent newspaper in the region.

It says even more that after this relatively short span of time the paper is in trouble with the authorities and that its publisher is possibly facing a nine year prison sentence for criminal disinformation.

The cause of the American-owned POST's latest troubles goes back to an article published on March 24 under the title, "Security jitters while PM's away". The story, written by American journalist Nate Thayer, gave details of behind-the-scenes intrigue in the capital while the country's two premiers were attending an aid meeting in Paris in March.

Apparently infuriated by the report, Prince Ranariddh and Hun Sen asked the municipal court to file incitement and disinformation charges against the English-language newspaper's co-owner and publisher, Michael Hayes. Under current Cambodian law, if tried and convicted, he could be jailed and face a heavy fine.

The court has yet to make a decision as to whether Hayes should be charged. But even if he is not, the message is clear: all newspapers, whether foreign or domestic are being put on notice to be careful about what they write.

Government Crackdown

The legal action against the POST comes amid a tough government crackdown an opposition Khmer-language newspapers.

At least four editors or publishers of Khmer-language papers have been fined or jailed since 1994 on similar grounds as the POST, while four others have been informed they will be brought to trial soon.

In addition to journalists, human rights activists and government critics are feeling the heat as well. Six men were arrested earlier this month for "incitement not leading to the commission of a misdemeanor" after tying leaflets critical of the government to balloons during the visit of U.S. Secretary of State Warren Christopher. If convicted, they face up to five years in prison.

News story

What is most troubling about the action against the POST is that unlike previous prosecutions against Khmer-language papers, it is being threatened with litigation for a news story based on government and diplomatic sources, not an opinion piece. As a result the government is confirming a suspicion among many observers that it has little interest in combating criticism with words or deeds but instead is seeking to intimidate journalists and opponents into silence. Indeed, the whole grand dream the international community allowed itself about building an egalitarian, free society and accountable government in Cambodia appears to be rapidly vanishing.

In the end of course, the path of action being pursued by Cambodia's two leaders will be futile and self defeating. Problems can't be solved by shooting the messenger and papering over them. And indeed in the case of the POST, heavy-handed legal action is going to exacerbate their problems.

For while the paper is small in terms of circulation, some 5,000, it claims a consequential readership including many diplomats and foreign aid groups. Thayer himself, a 10-year veteran of the Cambodian story is widely recognized and as one of the best connected and most influential journalists covering the country. In short, he has transcended journalism to the point of becoming an opinion maker in Congress.

The result is a rather ironic dilemma for Ranariddh and Hun Sen. Pursue their prosecution, muffle the more timid sections of the press and support an international view of them as leaders of an increasingly intolerant regime. Or, drop the case and begin working with the better elements of the media to build an open and free society.

New Body To Handle International Trade Matters

BK2908031895 Bangkok THE NATION in English 29 Aug 95 p A 6

[FBIS Transcribed Text] The permanent secretary for commerce will take charge of the Office of International Economic Relations Committee (IERC), a new body which will consolidate powers currently held by the Foreign and Finance ministries.

The foreign ministry currently heads the committee on Asia Pacific Economic Cooperation (Apec), while the finance ministry is responsible for the Asean Free Trade Area (Afta) committee. Both committees will work with the secretary-general of the Office of IERC, according to the plan, disclosed by Deputy Commerce Minister Phairot Suwanchawi.

The commerce permanent secretary will be secretary-general of the Office.

IERC currently has the director general of Business Economics Department, commerce ministry as secretary-general. Its status is therefore inadequate to co-ordinate with the foreign and finance ministries, which have the Economic Affairs Department and Fiscal Policy Office, respectively.

Phairot said the new body will better co-ordinate international trade matters. The plan will be considered by Cabinet for approval and ministerial regulations amended to effect the change, he said.

In the long run, the IERC Office will be upgraded to have a status similar to the US Trade Representative Office.

He said the director-general of Business Economics Department has no authority to deal with the permanent secretaries of finance and foreign affairs so the IERC should be strengthened.

Phairot said Thailand's position at the upcoming Apec Summit in Osaka, scheduled for this November, is to propose member countries cut tariffs on farm and non-farm products to promote free trade, starting in 1997. Prime Minister Banhan Sinlapa-acha is expected to join other leaders of Apec member countries.

Exporter Views Rice Price Trends, Sales

95SE0157B Bangkok THAN SETTHAKIT in Thai 28-30 Jun 95 p 13

[Interview with Rice Exporters Association Chairman Saman Ophatwong by unidentified reporter; date and place not given]

[FBIS Translated Excerpt] Saman Ophatwong has been involved in rice trading circles for more than 40 years. He now serves as the chairman of the Rice Exporters Association. [passage omitted]

[THAN SETTHAKIT] What do you think the trend will be with respect to Thai rice?

[Saman] Prices will continue to rise because of the great demand. This year, China, Indonesia, and several other countries will have to purchase even larger quantities of rice. This year, exporters have received many orders. The ships coming here have to compete to buy rice, and this is driving domestic prices higher. Exporters must be careful about prices. Some people have lost a lot of money. I am fearful. I am afraid that if prices go too high, after the rice is sold, we won't be able to deliver it. That will create problems. Thus, we must be careful. Even though many orders have been received, the order price was cheap, but now they have to buy rice at a high price in order to make the delivery. [passage omitted]

[THAN SETTHAKIT] What are our competitors doing?

[Saman] The fact that prices are rising shows that demand is high. The price of agricultural products depends on supply and demand. If there is high demand, prices will be high. If supply is good and demand is low, prices will decline. There is no base price. Everyone will lose money. Even though prices are low, farmers will have to sell even if they can't recover their costs. Sometimes they have to sell their rice at below cost.

But this year, they are fortunate in that prices are high. Paddy is selling for 4,800-4,900 baht per kwian [1 kwian equals 2,000 liters]. In Bangkok, it is selling for 5,000 baht. The price is very high. This year, farmers should do very well, because prices have been good since the end of last year. Two days ago (19 June 1995), prices declined somewhat, but today (21 June), they have gone up again. This indicates that demand is still high. This year, I don't think that there will be any problems in exporting rice. Right now, low-grade rice (35-percent rice) is selling well. This is because Vietnam doesn't have much rice to sell. Thus, they can't compete with us, which would force us to lower our prices. This is why rice prices are so high. Countries that bought rice from Vietnam have had to turn to us. And they have had to buy rice quickly. As a result, domestic rice prices have skyrocketed. Many African countries have turned to us, too.

[THAN SETTHAKIT] What problems and obstacles may arise for rice exporters?

[Sawan] Based on our experience, after selling for several months, if rice prices rise, we have to go along with that, because that is the nature of the buyers. If the price of rice drops, they won't open letters of credit. They will give various excuses. For example, they may say that they don't have any place to store the rice. We can't do anything about that. But if we make a sale and don't pay the money, there will be problems. This is a problem that is impossible to solve. Exporters compete among themselves. In selling rice, we use the D.A system (documents against acceptance: d/a draft = bills of exchange with order documents for which exporters must guarantee payment based on the bills coming with the documents before the banks will turn over the documents). Using this system, buyers purchase goods and then sellers deliver the goods. There are no contracts or guarantors. No letters of credit are opened. Things are sold on term. We have to wait until the buyer sends the money. This is very risky. When payments are not made, people lose money, and other countries can't file suit against anyone. With the D.A. system, no one is responsible. Sellers have to trust them. I don't think that we should be using this system.

But because trade has become freer, we can't force people to do something. The Rice Exporters Association sent a letter of inquiry to those concerned. Approximately 30 percent said that they want to continue using the D.A. system. They said that if letters of credit are used, banks will become involved and expenses will increase. As a result, costs will be high and it will be difficult to sell rice. Exporting rice using the D.A. system is very risky. Even though I have cited such examples, they still want to use this system.

At present, at a time when there is much competition in the rice trade, using the D.A. system is preferable to using letters of credit in that much rice can be sold. We can satisfy customers. Customers like this. Thus, in a free trade system, there are both good points and bad points. The good point is that people can find markets. The bad point is that people are giving up interests. While it's true that exporters are losing only certain things, this will affect everyone concerned. We don't dare act in a dictatorial manner (by doing away with the D.A. system). We have asked everyone concerned and most still want to use this system. The association does not want to force anyone. The government is not putting pressure on anyone. In the past, the government prohibited the use of the D.A. system, because that resulted in large losses. But now that the government has a free monetary policy, this is being used more and more, particularly this year.

Is the government's policy on solving the rice problems, from production to export, correct? That is, will this policy facilitate trade? I don't think that there are any problems as far as production is concerned. But there are problems concerning exports. What I am most concerned about is the shortage of labor. This is a major problem. One company that loads ships has informed us that it will cease operations because of the lack of laborers. That will have a great effect on exports, because that company is a large company. It is the largest company. This shows that we now have a very serious labor shortage. This will have a great effect, because it will delay exports. And today, the problem is not just laborers. There are not enough junks and lighters either. As for the problem of laborers, most of these people are Cambodians and Burmese who entered the country illegally in order to find jobs here. Most of our good workers have left to work abroad. Stated simply, we are suffering from a shortage of domestic labor. We have said that steps should be taken to register these people. If we don't need them, they can be sent home. But the government has said that it's not possible to do that. If we did that, that would be tantamount to admitting that we are using foreign labor, which is against the law here. Thus, we don't know what to do. This is a great problem that is affecting not only the rice industry but also the fishing and construction industries. The police arrest people every day. Whenever the police launch raids, these people all flee and don't come to work, which causes problems for everyone.

Central Bank To Tighten Rules on Foreign Loans

BK2808055295 Bangkok BANGKOK POST in English 28 Aug 95 p 17

[Report by Sunrat Bunyamani]

[FBIS Transcribed Text] Commercial banks and their clients may soon have difficulty tapping overseas funds if the Bank of Thailand imposes tougher conditions on foreign loans.

Borrowing abroad might have to be controlled to prevent the economy from overheating, a senior central bank official has warned.

Foreign loans have been popular with banks and their clients, but the central bank does not want to see the practice get out of hand. It sees risks for borrowers who do not hedge against currency exchange rate fluctuations.

If necessary, it plans to control banks' quality of assets by excluding unhedged foreign loans from the calculations.

This policy would worry banks with clients who do not want to hedge against currency swings, as well as banks that rely mainly on unhedged foreign funds. In both cases banks would be able to borrow less and the cost of funds would be higher because of the need to hedge.

Their borrowing would be reduced because unhedged foreign loans, instead of being counted as quality assets, would be counted in their net foreign exchange holding, which is limited to 15% of their capital fund.

If their clients were not willing to hedge foreign loans, banks' capability to tap overseas funds would decline.

The source said this measure would ensure the stability of Thailand's financial system and diminish risks from currency swings. On the other hand, it would be harder for banks to tap loans abroad where interest rates were much lower than in Thailand.

This would slow down the influx of foreign loans and banks would be better placed to screen clients seeking overseas funds, the source said.

The central bank is reviewing whether the measures should govern all foreign loans or be applied selectively to avoid damaging banking and other business.

Sathaphon Chinachit, Siam City Bank's first executive vice- president, said clients would suffer if the central bank introduced the changes. Clients would have to bear additional hedging costs of 3-4%.

In practice, the policy would be hard to implement and raised the question of how the central bank could prove banks' clients had hedged their loans.

Certain clients would not hedge if their income was mainly in foreign currency. Some might hedge with other banks rather than with those they borrowed from.

This would be unfair to banks that arranged loans and those which had good clients. The policy would be appropriate if it was intended for certain banks that offered foreign loans "inappropriately".

He said the central bank should use the measure as a guideline for banks rather than make it compulsory.

A Hong Kong & Shanghai Banking Corp source said the measure would damage banks with small capital funds' as their borrowing capacity would be limited.

Whether foreign exchange risks were covered was for banks' clients to decide, the source said. Banks should not force them to cover the risk.

Amnuai Adviser Discusses Finance Policies

95SE0156A Bangkok THAN SETTHAKIT in Thai 24-27 Jun 95 pp 8, 13

[Interview with Amnuai Wirawan Adviser Narongchai Akkharaserani by unidentified reporter; date and place not given]

[FBIS Translated Excerpt] Besides being both an economist and leading economic analyst both here and abroad, he is also a "professional" administrator who has achieved much success in financial business activities. This is evident from the fact that he has turned the GF Finance and Securities Company into a leading domestic broker in just a short period of time. And he has made preparations to become involved in commercial banking and insurance activities. As for his involvement in Thai politics, he has served as an adviser to people in many administrations and has been nicknamed the "shadow minister." Most recently, he has served as an adviser to the Nam Thai Party under the leadership of Dr. Amnuai Wirawan, the party leader. [passage omitted]

[THAN SETTHAKIT] There are several political parties that have a good economic policy. Why did you decide to work with the Nam Thai Party?

[Narongchai] That is an excellent question. In my view, a political party is dependent on its leader and other factors, particular its advisers. I have my own philosophy concerning economic issues in this field. First, there is the issue of free competition. All of the parties believe that Amnuai is better qualified in this field than those in other parties. And this is not simply a matter of belief. He has actually done things in the past and is still involved in things.

Second, a single person can't manage the country's economy all by himself. We have to cooperate with many other countries. Our economy is no longer an independent economy. The less independent we become, the more we will have to depend on foreign trade and investment, foreign exchange rates, and foreign interest rates. Anyone who wants to do a good job in managing the country's economy must understand international economic mechanisms, multi-national economic mechanisms, and international economics. And understanding alone is not sufficient. They must be capable of using these things to benefit us. [passage omitted]

[THAN SETTHAKIT] What are the monetary and fiscal policies of the Nam Thai Party?

[Narongchai] In my view, the most important thing is to manage the national budget in as efficient a way as possible in order to benefit the people as much as possible. Stated simply, the money that is collected must be used in accord with the plans. But what has happened is that the government does not use all the money collected. There are huge treasury reserves. The result is, the country has not developed as much as it should have, and the people are experiencing problems. We think that this stems from mismanagement. Thus, if there is good fiscal management, the money can be spent accordingly. That is one point, that is, expenditures.

Second is the issue of collecting revenues. We favor collecting taxes on expenditures. Thus, a value-added tax would be very good. The collection must be expanded to all business groups, because this is a tax on expenditures. At the same time, we do not feel that the income tax should be too high. Collection should be similar to that in neighboring countries. We have proposed reducing the corporate income tax to levels similar to those in Hong Kong, Singapore, and Taiwan, which are competitors of ours. Reducing the rate to only 25 percent would benefit investment. As for the personal income tax, at present there are several tax rates, with the highest being 37 percent. The party does not think that having several rates or that having such a high ceiling is good. The present government has tried to reduce the rates. We would like to reduce rates and have fewer rates, that is, 10, 15, 20, and 30 percent. This is the present trend throughout the world.

The party's monetary policy is very similar to that of the present administration. That is, the policy is to increase monetary freedom, maintain the country's monetary position, and not allow our current account deficit from becoming too large, that is, more than 5 percent of national income. This means that we may have to implement a policy calling for rather high interest rates in order to limit expenditures.

It can be seen that our monetary policy is quite similar to that of the Democrat Party. As for monetary affairs, I am sure that the Democrat Party wants to use the revenues. But the important thing is its decisiveness in using the money in accord with government policy. Not one of the administrations of the past 7-8 years has been able to use the money based on the budget.

[THAN SETTHAKIT] Does that mean that the budget proposed by the Nam Thai Party will be out of balance again?

[Narongchai] No. Money for the budget comes in part from collecting taxes and in part from borrowing money. Thus, the budget is always in balance. But when it comes to spending, not all the money is spent. The reserves are too high. What that means is that the roads and bridges that were supposed to be built haven't been built. The treasury reserves have increased. The more investment funds we have, the higher the treasury reserves. The budget funds for ordinary expenditures such as teachers' salaries are all used, but funds for construction and investment are not all used. In recent years, 30-40 percent of the funds have not been spent.

[THAN SETTHAKIT] With such monetary and fiscal policies, what is the goal of the Nam Thai Party?

[Narongchai] We want to expand the base of the expenditure tax from a value-added tax to include more business groups in the system. Revenues will increase. As for corporate income taxes, at present, this accounts for only 10 percent of all revenues. If rates are lowered as I discussed earlier, revenues will decline only slightly. That won't affect anything. The same is true for personal income taxes.

[THAN SETTHAKIT] What strategy will enable Thailand to compete economically and socially with neighboring countries?

[Narongchai] We feel that Thailand's economy has been growing well. Everyone is praising our economy. But looking at our natural resources and environment, the situation is not very good. We are using things in a very wasteful manner. We have done better than others by putting too great a strain on our natural resources and environment. For example, coastal forests have been cut down to raise shrimp. Almost all of our water sources have been used to generate electricity. The quality of our environment has declined, and pollution has increased. Over the long term, we won't be able to compete with neighboring countries in this way.

Thus, the question is, how can we compete with others without ruining the country? We must build the country in a way that will serve the people, and we must foster knowledge so that we can compete using knowledge. But that will take a long time. For this reason, we must have an information system. That means that in the future, the government must implement a real information development policy. This must begin with the bureaucracy. Because our present system is still imperfect and outmoded. At the same time, we must build a system to provide information to the people. This unit can be similar to that created by the Chinnawat Group. But I don't think that this should be done by a particular group. Rather, this should be done on a national level, such as by the minister of education using an artificial satellite.

[THAN SETTHAKIT] What measures should be implemented to develop our human resources?

[Narongchai] Concerning this, the views of the various parties are quite similar. All of the parties have expressed support for education to the vocational level. But no one has really gone into the details in terms of the budget. Rather, this is a work philosophy. The Nam Thai Party is a new party and has not had time to do much. But I think that Amnuai is the equal of anyone. All of the parties have been stressing education. That includes Thaksin (Chinnawat) of the Moral Force Party and Chuan of the Democrat Party. It is difficult for the Nam Thai Party to talk about this.

[THAN SETTHAKIT] What philosophy should Thailand's economic leaders have?

[Narongchai] I and Dr. Amnuai believe in free competition. Thailand has a population of 60 million people. What will benefit them the most is free competition. The leaders of all the parties believe in a market system. The question is, how much do each of the parties know about free competition? Dr. Amnuai, the leader of my party, knows more about this than anyone. What does "free competition" mean? It means that we will not put restrictions on people in earning a living and carrying on business activities. We will not put any restrictions on how many people can engage in this or that.

Also, we will allow people to bid on concessions. We will use a truly free system. An example is the idea of bidding without "haggling." This must become part of Thailand's system. But few people dare to do this, because this has to do with profits between government officials and people in the private sector. This has been a trait of Thai businessmen and government officials for a long time. Thus, instead of "haggling" over prices, we will "haggle" over capabilities. For example, if someone bids on a project, it must be stated outright that it will cost, say, 100 million baht to build that project. The bids can then be opened, and the capabilities of the various companies bidding on the project must be discussed. Once the project has been completed, the project must be inspected to see if the company did things in accord with the bid. If it didn't or if the full amount of the money paid was not spent, the company must be fined. But people won't like this method, because they won't be able to take bribes. If the bid is for 100 million, the company will have to spend all 100 million.

No one has ever dared implement such a system, but we will. I am sure that many people will oppose this. At present, we still don't have a management system to control corruption. The only way is to expose this as much as possible.

As for turning Thailand into a financial center, that is up to others. We can't force them. In today's world, in a free economy, before they make a choice, they will look to see if the country is prepared in terms of equipment and policies. In terms of equipment, Thailand can't compete with Hong Kong or Singapore. As for policy, we can't allow the freedom of action that they can. Our people have lower incomes. For these two reasons, Thailand is not ready to become a financial center. But we can serve as a regional financial center to serve neighboring countries. We can serve as a loan center rather than an exchange rate center.

We can, however, compete in the field of air traffic. We are very well positioned to serve as a center for flights to Europe. Unlike at other airports in this region, when people fly from Thailand, they won't have to stop over. People can become business leaders in this field, that is, air communications. [passage omitted]

[THAT SETTHAKIT] Is it the party's policy to encourage people in the private sector to invest in public services?

[Narongchai] Regarding this, our policy is similar to that of the government of Mr. Anan Panyarachun. That is, we are talking about changing the form of the state enterprises, and every party is emphasizing public services and education. But the parties differ on the issue of having people in the private sector provide services. Other parties emphasize having the private sector invest in public service projects. But those projects managed by the state have not achieved very much. We think that the private sector should be the one who provides the services. Much was done during the time of the Anan administration. For example, people in the private sector were allowed to open schools.

The view of our party is that when it comes to very large projects, people in the private sector may not be capable of building the project, because they won't have enough money. But if the state invests money and those in the private sector manage things, it should be possible to complete the project. The Sirikit National Conference Hall is a good example. The state invested money in this, and the private sector managed things. This turned out fine.

With respect to services now provided by the state, regardless of whether this concerns providing education and public services, checking tickets, issuing permits, and so on, our party's policy is to allow those in the private sector to provide the services, because the state lacks the skills and has not achieved much. The state should oversee things and check to see if the services that the private sector has been authorized to provide are going well. If they are not going well, the state can cancel the permit using the same method presently used by the Securities Exchange Commission. The private sector will provide the services and the users will pay for those services.

We think that the bureaucracy in Thailand is a "guardian" system. Government officials are not skilled at providing services to the people. Instead, they should oversee those who provide services. Better results will be achieved that way.

[THAN SETTHAKIT] What are the urgent infrastructural problems that the party must deal with?

[Narongchai] This has to do with international competition. Our party's line is that Thailand must be able to compete with other countries. What can be done to enable us to compete? The important thing is that the people must be prepared in terms of equipment. The important thing is transportation and communications. Quick action must be taken, particularly when it comes to making decisions and managing things. These are the two main obstacles. These are the most important things. Thus, we are focusing on managing projects that will enable us to compete.

But the Nam Thai Party hasn't been able to go into things in detail, because it is a new party. There is very little time to prepare for the election. The important thing is to see what their philosophy is. People should see how many party leaders there are and if they are prepared to turn their beliefs into reality. The Democrat Party has been governing the country for 2-3 years now. It has had more time than other parties to take action on things. People should think about what the various parties stand for and look at those who will manage things. That is more important.

[THAN SETTHAKIT] What plans do you have and what steps will be taken to improve the standard of living of villagers?

[Narongchai] All parties talk about the poverty in the rural areas. The Nam Thai Party differs from other parties in that we will allot budget funds to build roads to villages. In the past, little has been done, and things have been very slow. We want there to be roads to all villages within 8 years instead of 30-40 years. Building roads will help a lot. And I am talking about asphalt roads, not laterite roads.

Then there is the issue of public services and schools. The parties all have similar policies on this. As for other types of poverty, this has to do mainly with income. Most rural people work in the agricultural sector. The money earmarked for helping the farmers is not sufficient. Also, work methods have not been coordinated well. We want more budget funds to go to the rural areas. The Bank for Agriculture and Agricultural Cooperatives should have a larger budget. And the money must be provided in time. The money must be provided before the paddy sprouts are planted. At present, before money arrives, the sprouts all died. That is the wrong way to do things.

[THAN SETTHAKIT] What about raising the incomes of farmers?

[Narongchai] If the standard of living of the farmers is to improve, they must earn money from both the agricultural sector and the non-agricultural sector. Our policy is to intervene only when necessary. As for propping up prices, I don't think that such a policy is in accord with economic principles. A different method that will make us more competitive is to encourage the farmers to switch to growing crops based on the market situation. The present administration has done that, but program management has been poor. Thus, instead of increasing the incomes of the farmers, the government's conversion program has resulted in farmers going even deeper into debt. This is because the unit that provides raw materials to farmers is the Ministry of Agriculture, but the unit that provides funds is the Ministry of Finance. They have failed to coordinate things. Trees are provided before the money arrives. By the time the money arrives, the trees have all died. The farmers waste the money on frivolous things. In view of this, we need a new management system.

As for non-farm income, the Nam Thai Party is emphasizing special economic zones. Agriculture alone cannot earn farmers enough money. Thus, we have proposed industrial estates and special economic zones. There are two forms. The first is having zones where sufficient money has been invested in the infrastructure to enable people to invest to create jobs. The second is having economic zones related to border issues in order to tie these to the economic triangle and rectangle projects. [passage omitted]

Personal Background

This national human resource, who has gained widespread acceptance in both the public and private sectors, was born in Bangkok on 3 July 1945. He earned his bachelor's degree, with honors, in economics from Western University in Australia in 1966. He then earned his M.A. and Ph.D degrees in economics in 1971 and 1973 from Johns Hopkins University in the United States.

He is presently serving as the chairman of the board and chief executive officer of the GF Finance and Securities Company Ltd. He also holds several positions in the G.F. Holding Company, which includes serving on the boards of the GF Holding Company, the Morgan Grenflur Thai Company, the G.C.N. Holding Company, the Siam General Factoring Company, the Saha Sin Q.B.E. Company, the Thai Economy and Life Insurance Company, the S.G. Land Company, the Chestertan Thai Property Consultants Company, the G.F. Car Company, and so on.

He is also on the board of directors of the Thai Swedish Assembly Company Ltd, the Raimon Land Company, and the Swedish Motors Company. He serves as an adviser to the Pacific Dunlop Company and is a member of the Industrial Council of Thailand. He serves as the chairman of the board of the Australian-Thai Industrial Council and is a member of the board of the Small Industries Finance Corporation. He is the chairman of the board of the Northeastern Agricultural Corporation and serves on the board of directors of the Securities Exchange Commission.

As for his academic and educational experience, in 1974 he served as the dean of the Faculty of Economics at Thammasat University. He served as a development economist with the UN Asian and Pacific Development Institute and the UN ESCAP during the period 1979-1980. He was on the board of directors of the Office of University Affairs during the period 1987-1989 and served as the deputy managing director of Thai Development Research Institute (TDRI) during the period 1988-1990. He has also served on the board of directors of the Thai University Researchers Association, the Economics Association of Thailand, and the Economics Section of the National Research Council. And he has served as Thailand's representative to APEC (Asia Pacific Economic Cooperation).

As for politics, he served as an economic adviser during the administration of Sanya Thammasak (1974-1975), as a policy adviser during the administration of General Chatchai Chunhawan (1989-1991), as an economic affairs representative to ASEAN during the administration of Mr. Anan Panyarachun (1991), as an economic policy adviser during the administration of General Suchinda Khraprayun (1992), as an economic adviser to the New Aspiration Party (1993), and as an economic adviser to the Nam Thai Party (1994 to the present).

Impact of New ISO Industrial Standard Viewed

BK2808110195 Bangkok BANGKOK POST in English 28 Aug 95 p 19

[FBIS Transcribed Text] Thailand stands to lose millions of baht in exports of textiles, furniture and canned products if these three industries cannot bring their production processes into line with the new international standard, ISO [International Standards Organisation] 14000, to be introduced in 1998.

The International Standards Organisation set up by the European Union has already launched ISO 9000, governing the manufacturing process to enhance product quality. It must be adopted by all 58 members of the organisation.

The standards body is planning ISO 14000 as the second in a series of measures. ISO 14000 aims to harmonise business and the environment through management, auditing and labelling schemes and can be adopted by any member voluntarily.

Exports to any country adopting this standard will be more difficult as they will have to meet the new criteria.

The Thai Industrial Standards Institute is negotiating with other members of the international body on how to set standards for ISO 14000.

Implementation of the ISO 14000 series will directly affect at least three industries. If textile and furniture manufacturers and canneries are not well prepared, their exports will be adversely affected, according to Thailand Environment Institute president Thira Phantumwanit.

He said the public and private sectors should prepare themselves before the implementation of ISO 14000, especially in environment management and environment auditing.

Trade and the environment has become one of the most pressing issues on the agenda of bodies such as the World Trade Organisation and regional economic blocs.

Thailand, one of the world's leading exporters of commodities and industrial products, faces difficulties in adjusting to the new requirements.

According to the Federation of Thai Industries, exports of canned food, in the first six months of this year were worth 17.13 billion baht; textiles 78.74 billion baht, and furniture 8.42 billion baht.

Industrialists should ask for information and prepare themselves before the implementation of ISO 14000, Mr Thira said. Thailand should bill its products as friendly to the environment as an export strategy because consumers in developed countries were very concerned about environmental issues.

South Korea's manufacturers are very active in this approach, with many having prepared to cope with ISO 14000.

Thailand's only significant progress is in "eco-labelling", in other words stating on the packaging that the products are environmentally sound.

Ten product categories have been approved by Thailand's national committee for the scheme. Technical sub-committees are working toward establishing criteria for products which would be eligible for eco-labels.

Environmentally-sound products such as energy-saving light bulbs and refrigerators have been marketed even before the scheme takes effect.

Mr Thira said most Thai manufacturers were not active in adjusting to the changes. This could cause serious and costly problems for the country.

When the United States introduced its Marine Mammal Protection Act to conserve dolphins in the eastern Pacific Ocean, it barred imports of canned tuna that included yellowfin tuna caught by means seen as harmful to dolphins.

That caught some Thai tuna exporters off guard, he said. Major exporter Unicord suffered financially as it had to pay huge sums on public relations campaigns in the US to explain that its products did not use yellowfin tuna.

Mr Thira said federation chairman Chokhai Aksaranan was encouraging members to speed up their preparations to comply with ISO 14000.

Editorial Assesses Telecommunications Concessions

BK2908031995 Bangkok BUSINESS DAY in English 29 Aug 95 p 4

[Editorial: "Telecom Concession Process Raises Some Serious Issues"]

[FBIS Transcribed Text] The granting of government concessions for telecommunications — a dull subject in most countries — sizzles and pops when placed in the context of Thai politics. Without any doubt, procuring government concessions on major projects has been the fastest road to immense riches for the chosen few in Thailand. And as the mating dance between Thai politicians and the concessionaires/billionaires continues unabated, questions of social policy and economic equity inevitably arise.

Heads of Thai banking families took 40 to 50 years to become billionaires, despite reigning over a politically coddled and economically protected industry. The new breed of telecom concessionaires/billionaires took less than ten years to pass the billion dollar mark in personal wealth. And while the banking sector has to face up to long overdue liberalization measures, the telecom industry's stranglehold over consumers continues to tighten.

The social policy and economic equity questions are: Given the underlying inequality in income distribution in Thailand, to what extent does the granting of telecom concessions to just a few players exacerbate this serious problem? Is it either fair or equitable to set the country on a course of industrial development which ensures a vastly greater concentration of wealth among the few? And in the absence of a bidding system which ensures transparency and honesty, how will the public interest be protected?

The experiences of other countries which have achieved a workable balance between privatizing public utilities and government control show it is possible to precisely establish a fair rate of return on investment for each type of service. Should the concessionaire's return exceed the fair amount, consumers are entitled to a rebate and/or a reduction in the rates at which future services will be charged. This setting of a limit on profits ensures that the concession process does not turn into an orgy of profiteering at the expense of consumers.

Instead of being in partnership with the concessionaires, the government should act in the public interest by setting the fair rate of return and monitoring performance. Loopholes must be tightly closed. And since net profit is the key rather than gross revenue, the accounting system and procedures must be accurate and transparent beyond suspicion.

Ownership limits for companies operating government concessions should also be considered. A broader ownership structure is consistent with Thailand's objective of economic liberalization. More importantly, social equity requires at a minimum a restraint on the concentration of financial and economic power.

Power breeds more power, unless countervailing measures are taken. Ownership limitations constitute an effective measure to ensure against the excesses that too much market power concentrated in too few hands inevitably brings.

Vietnam

Gathering of Veterans of War Against U.S. Noted

BK2908081695 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 27 Aug 95

[Report by Mai Hong on get-together held in Hanoi on 18-28 August for those who rendered meritorious service from 15 August 1964 and in the Dien Bien Phu Air War in late 1972 by Tourist Company of War Veterans Association]

[FBIS Translated Excerpt] A get-together was held for more than 50 delegates from Quang Ninh, Thanh Hoa, Quang Tri, Nghe An, Ha Tinh, Vinh Linh, Hoa Binh, and Haiphong City.

These delegates were directly responsible for the heroic victories in the years of fighting over the U.S. imperialist war of sabotage against the people in North Vietnam. They include Mr. Tran Dich, former battalion commander of the Battalion 217 of Bach Bang Antiaircraft Division, who led his battalion to shoot down an A-4B and to arrest the first U.S. pilot, (Abarret), in Ha Long Bay on 5 August 1964. Cadres and soldiers who took part in the 12-day Dien Bien Phu Air War also attended the gathering. They included Mr. Vu Su, leader of an 16.5-millimeter caliber antiaircraft gun platoon of the Phosphate Fertilizer Factory and Ms. Pham Thi Thinh of the same unit. This unit shot down an F4 aircraft on 26 December 1972. The get-together also included Mrs. Vu Thi Vuong, mother of Pilot Hero Vu Xuan Thieu, who shot down a B-52 on 28 December 1972 in Son La Town. [passages omitted on public effort and personal adversities during the war]

Mr. Dang Dinh Truong, who with his company shot down 19 enemy aircraft in the Quang Nam-Da Nang battlefield, is now deputy manager of the Hanoi Catering Service Company and manager of the 30 April Hotel. [passages omitted on Dang's interview on measures to improve business and other people's war and current contributions to national cause]

CPV Central Committee Secretary Visits U.S.

Trip Activities Outlined

BK2808084595 Hanoi VNA in English
0610 GMT 28 Aug 95

[FBIS Transcribed Text] Hanoi VNA Aug. 27. — Mr. Hong Ha, secretary of the Communist Party of Vietnam [CPV] Central Committee and head of its External Relations Commission, has paid a working visit to the United States as guest of the American Council of Learned Societies (ACLS).

While there, the party secretary visited some states and cities and had working sessions with senior officials of the departments of state and defense, the Sponsor Council, the Council on Foreign Relations, Funds, and Major Research Centres. He called at a number of cultural and economic establishments and met with US investors who have come or are to come to Vietnam. He visited some non-governmental organizations operating in Vietnam, the office of CNN television firm, and the headquaters of the United Nations. He also talked with Vietnamese students in the US, overseas Vietnamese and American friends.

During these meetings, Mr. Ha spoke about Vietnam's foreign policies, its stance in the relations with the US, its socio-economic situation, and its foreign investment policy. He expressed gratitude to US organizations and friends for their solidarity with and support to the Vietnamese people in the past struggle as well as their fine sentiments at present.

The American side, particularly researchers and learners, highly appreciated Vietnam's achievements in its renovation process and foreign policy. They said that Vietnam is holding an important position in Southeast Asia and Asia-Pacific that the US-Vietnam ties have entered in a new stage which, though difficulties ahead, would constantly develop.

Vietnamese Charge d'Affaires to the US Le Bang and head of the Vietnamese mission to the United Nations Ngo Quang Xuan accompanied the party secretary in these activities.

Official's Comments Cited

BK2908132295 Hanoi Voice of Vietnam in English
1000 GMT 29 Aug 95

[FBIS Transcribed Text] A senior Vietnamese Communist Party official has visited the United State of America. He is Mr. Hong Ha, secretary of the party Central Committee and head of the Foreign Relations Commission. The visit was made at the invitation of the American Council of Learned Societies. We now highlight Mr. Hong Ha's comment on the visit.

He told the Vietnamese leaders at Noi Bai International Airport in Hanoi that Americans held it as the first visit to the United States by a senior Vietnamese official after Washington normalized relations. Hong Ha said the purpose of the visit was to inquire into U.S. policies, particularly policy related to bilateral relations after the normalization of relations. U.S. officials who are going to work in Vietnam such as Mr. Anderson, charge d'affaires a.i. [ad interim]; the American consul; and representatives of trade and foreign offices and agencies all met Mr. Hong Ha to express wish to further promote economic and trade relations with Vietnam. The U.S. Council of Foreign Relations said it would send a mission to Hanoi to prepare for the coming visit by Mr. Robert McNamara, the former U.S. secretary of state [as heard] during the American war.

Relating to the process of bilateral relations, Mr. Hong Ha held that Vietnam and the United States have entered a new chapter with new prospect. Meanwhile, a new complicated issue also propped up. He said the United States informed him about the follow-up steps including granting Vietnam the most favored nation status. In the coming October, a U.S. mission will come to Vietnam to discuss the signing of a trade agreement and to solve the issue relating to bilateral economic and trade relations. Vietnam also reaffirmed its wish to, together with the United States, establish a new framework for cooperative relations between the two countries on the basis of respecting each other's independence, sovereignty, not to interfere in each other's internal affairs, equality, mutual benefit, and respect of the basic principles of international law.

Cambodian National Assembly Delegation Visits

Meets Assembly Chairman

BK2408153295 Hanoi VNA in English
1508 GMT 24 Aug 95

[FBIS Transcribed Text] Hanoi VNA Aug. 24 — National Assembly Chairman Nong Duc Manh received here this afternoon the visiting delegation of the Commission for International Cooperation and Information of the National Assembly of Cambodia led its head, Mr. Om Rasadi.

Speaking to his guests, Chairman Manh noted that Vietnam and Cambodia have shared many similarities in the struggle for national independence and construction. He said that the delegation's current visit allowing the recent Cambodia visit of a Vietnamese high-ranking delegation led by President Le Duc Anh has a great significance demonstrating a new step in the development of the friendly relations between the two countries in general and the two national assemblies in particular.

Chairman Manh on behalf of the National Assembly and people of Vietnam expressed sincere thanks to the Cambodian people for their support and assistance to the Vietnamese people in their struggle for national defence in the past and in their process of socio-economic construction and development at present. He expressed his belief that the exchange of visits between the two states, national assemblies and parliamentarian groups would further promote the friendship, cooperation mutual understanding.

Om Rasadi informed Chairman Manh of his visit's results and of the invitation to visit Cambodia from National Assembly Chairman Chea Sim. He also said that the relationship between Cambodia and Vietnam would be better developed, thus positively contributing to stability, peace and prosperity of each country, of the region and the world over.

Delegation Concludes Visit

BK2808155095 Hanoi VNA in English
1511 GMT 28 Aug 95

[FBIS Transcribed Text] Hanoi VNA August 28 — A delegation of the Commission for International Cooperation and Information of the Cambodian National Assembly led by its head, Mr. Om Rasadi today concluded its four-day visit to Vietnam.

While here, the delegation was received by National Assembly Chairman Nong Duc Manh and held talks with a delegation of the Commission for External Relations of the Vietnamese National Assembly headed by Hoang Bich Son.

The delegation also visited the Sai Dong Export Processing Zone in Hanoi, Ho Chi Minh City and Tay Ninh Province, where Mr. Om Rasadi and his party met National Assembly delegates and officials of the local People's Committees.

Commentary Examines Mekong River Committee

BK2908091995 Hanoi Voice of Vietnam in English
1000 GMT 28 Aug 95

[Station commentary]

[FBIS Transcribed Text] Asian nations sharing the Mekong River are moving closer to effective long-term cooperation. The Mekong River Committee held its first session in Phnom Penh recently to discuss the structure of the Mekong River Council and Interim Committee. Here is our comment: It was the first official and very important session of the Mekong River Committee, with the aim of accelerating cooperation. The vice prime minister of Cambodia, who is also chairman of the Mekong Ministerial Council, said that the meeting of the Mekong family was a reunion after 20 years of absence. He said that there are many Mekong projects waiting for effective implementation.

The Mekong is the biggest river in Southeast Asia with special cultural, historical, and economic significance. The Mekong River Committee is playing a major role in coordinating the projects of the river. Other Asian nations are, therefore, paying much attention to the development of the Mekong River countries.

Many international organizations are lending support. The Asia Development Bank has funded 30 projects for exploiting the Mekong River in the near future. In France, an organization called the Mekong River the Year 2000 Association has been set up. It consisted of 40 specialists to promote cooperation between France and Mekong River countries. The Union of Japanese Economic Organizations is providing latest information on investment in the Mekong River projects to 250 major Japanese companies. According to the evaluation of the Asian Development Bank, the Mekong River basin was developed rapidly as it encompasses developing countries which are rich in natural resources.

The first session of the Mekong River Committee has created conditions for development of the Mekong River countries and guaranteed growing interests in their development.

WFP Director's 23-26 Aug Visit Outlined

BK2908082795 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 26 Aug 95

[FBIS Translated Text] At the invitation of Foreign Minister Nguyen Manh Cam, Ms. Catherine Bertini, director of the World Food Program [WFP] visited Vietnam from 23-26 August. Minister Nguyen Manh Cam held talks with Ms. Catherine Bertini and her entourage. They sides reviewed SRV-WFP ties in the past and discussed orientations for future cooperation in continuing to help Vietnam to solve some issues relating to socioeconomic development.

The WFP director was warmly received by Prime Minister Vo Van Kiet. During her stay in Vietnam, she exchanged views with Mrs. Truong My Hoa, president of the Vietnam Women Association and leaders of the ministries of public health, water conservancy, and forestry and people's committees. She also chaired a round-table meeting with representatives of international organization and foreign organizations, which have contributed greatly to the WFP.

Vo Van Kiet Receives FAO General Director

BK2808155195 Hanoi VNA in English
1511 GMT 28 Aug 95

[FBIS Transcribed Text] Hanoi VNA August 28 — Prime Minister [P.M.] Vo Van Kiet received here today Mr. Jacqui Diouf, general director of the Food and Agriculture Organisation of the United Nations (FAO) and his party, who are now on an official visit to Vietnam.

P.M. Kiet welcomed the first Vietnam visit by General Director Jacqui Diouf, but the second by the FAO general director after 20 years of the establishment of relations between Vietnam and FAO, and thanked the organisation for its effective assistance to Vietnam in the field of agriculture. He also expressed his wish that the Vietnam-FAO relations would be further promoted and that in the future FAO would cooperate with and help Vietnam in this field, especially on technique, technology and experience so that Vietnam's agriculture would develop to match with the potentials of a tropical agriculture.

General Director Jacqui Diouf expressed his pleasure at the close relations between FAO and Vietnam. He said that Vietnam is a fruitful renovation model making Vietnam from a rice-import country into an export one and that Vietnam is one of the countries in which FAO has effectively conducted its cooperation programmes. The FAO general director affirmed that FAO will constantly improve and promote its cooperative relation with Vietnam and continue helping Vietnam in creating new hybrid rice strains and animal breeds, and (?applying) biological achievements in rice production, transfer of technology on irrigation and other effective measures to increase wet-rice acreage.

Conclusion of Do Muoi Article on Foreign Affairs

BK2808143295 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 25 Aug 95

["Second and last part" of an article by Do Muoi, general secretary of the Communist Party of Vietnam: "For the Fatherland's Independence, Freedom, and Prosperity and for the Cause of Peace, Friendship, and Cooperation Among Nations"]

[FBIS Translated Text] The achievements recorded in Vietnamese foreign affairs over the past 50 years should be attributed to our efforts in uniformly implementing the correct guiding thought, renovative orientations, and creative lines of our party and state. Independence and sovereignty are our party's key concepts in carrying out the revolutionary cause in general and foreign activities in particular.

In this diversified world, each nation has its own unique conditions and only its people can properly formulate the correct policies for their country. The revolutionary realities and diplomatic activities in our country over the past several decades have testified to this fact. Our concept of complete independence and sovereignty does not mean an isolated, narrow-minded, and nationalist independence. Our party has consistently asserted that Vietnam is an inseparable part and parcel of the world and that our people's just cause is in line with the development trend of the era. In drawing lessons from the quintessence of past experiences, we are striving to catch up with the development trend while maintaining an earnest aspiration to prevent a major world war that would threaten to exterminate humanity on our planet.

Stemming from this concept and struggling as a country with a backward economy against much more powerful enemies, the Vietnamese people have consistently upheld their concept and spirit to combine their internal strength and external strength, their national strength with that of the world, and their traditional strength with that of the era. Our internal strength — the strength of our entire people — is the decisive factor in the developmental process of our nation. Clearly realizing the significance of the international, or external strength, we have positively motivated and won the firm support and valuable assistance of peace-loving and progressive forces around the world. With the efforts to carry out a wide and far-reaching people's movement, seriously implement our people's just cause, and resolutely struggle for brilliant achievements in the pure and international solidarity spirit, our party and people are contributing appropriately to the lofty goals of the era.

Although the world situation is becoming more complicated, peace, national independence, democracy, and social progress are still the fundamental trends. Moreover, the capabilities of the [words indistinct] forces are developing quickly due to the effect of modern science and technology and the process of globalism and regionalism is developing vigorously.

Our foreign affairs domain should be strengthened and developed to contribute more to our nation. We must formulate appropriate lines and policies to maintain peace positively and actively, protect the fatherland, and expand international cooperation, thereby effectively serving the cause of national industrialization and modernization.

One of the most important factors to ensure success for the Vietnamese revolution and our foreign affairs is the effort to enhance firmly the combined strength of various fronts and domains. During the struggle for national liberation in the past and for national reconstruction at present, our foreign activities have been consistently carried out in harmony with the politico-economic struggle. Our state diplomatic activities have been carried out in close association with those of our party and people.

Today, foreign activities play an important leading role in the cause of socialist construction and national defense. As a result, we must strive to continue to implement our open door policy, firmly maintain politico-social stability, and effectively combine foreign affairs with national defense and security.

It is particularly important for the diplomatic sector to give first priority to the effort to ensure stability for economic development and to serve the purposes of renovation. Thanks to the policy of openness and the desire to integrate into the region and the world community, diplomatic ties have been broadened quickly. International relations have been set up and have attracted almost all branches, sections of the population, and localities. Against that backdrop, harmonious coordination among all branches and localities [words indistinct] and close management become more necessary than ever before. Only by doing so can we (?whip up a revolutionary movement). In the protracted and complicated struggle for national independence and freedom, Vietnam's diplomatic service must [words indistinct] flexible and quickly grasp opportunities, make full use of favorable conditions, overcome challenges, and push back dangers [words indistinct] while at the same time heightening vigilance and [words indistinct] offensive spirit, know how to reach comprise [words indistinct]. Fast breaking and complicated developments of the world situation require such moves.

The clear-sighted and close leadership of the party and state constitutes the factor of (?success). Through several stages of stalwart struggle on the diplomatic front, our party and state have derived many valuable experiences to improve their ability to forecast, analyze, and evaluate world developments and international relations relating to [words indistinct] and henceforth formulate correct and accurate solutions. These constitute our party's diplomatic expertise and help enrich [words indistinct]. The party defines policies and lines, provides guidance over major diplomatic activities, and attaches importance to the training of the contingent of cadres in charge of foreign relations.

Given the current situation, greater efforts are needed to train and improve the quality of the contingent of cadres coming from different sectors and echelons to ensure that they remain unquestionably loyal to national interests, have pure revolutionary ethics and quality, possess intellectual wisdom, [words indistinct] are well versed in management, and are determined to make constant efforts for self-improvement to meet the requirements of the nation and (?international relations).

Being proud of and encouraged by past achievements, the diplomatic service as well as all sectors and echelons must firmly grasp Ho Chi Minh's diplomatic ideology, the party's diplomatic lines, and the state's foreign policies; make practical contributions to the struggle to safeguard firmly national sovereignty and territorial integrity; consolidate and develop a favorable diplomatic environment to build [words indistinct]; and further enhance Vietnam's position and role in the world while at the same time making realistic contributions to the common cause of all nations for peace, national independence, democracy, and social progress.

President Grants Amnesty to 1,664 Prisoners

BK2908004795 Hanoi VNA in English
1511 GMT 28 Aug 95

[FBIS Transcribed Text] Hanoi VNA August 28 — State President Le Duc Anh today signed a decision to grant special amnesty to 1,664 prisoners to mark the 50th anniversary of the national day (Sept. 2).

They were selected from 2,900 prisoners earlier reported eligible for consideration for the amnesty.

The amnesty took to 2,621 the number of prisoners released before completing their sentences this year following the release of 957 on April 30 to mark the 20th anniversary of the liberation of South Vietnam.

Rice Prices in North Remain 'Stable'

BK2908095595 Hanoi Voice of Vietnam in English
1000 GMT 28 Aug 95

[FBIS Transcribed Text] Rice prices in northern Vietnam have remained stable despite recent flooding. Stability was achieved due to the large reserve of rice. The Ministry of Agriculture and Food Industry has carried out measures to ensure that supplies are maintained.

Since early this month, heavy downpour of rains in the northern provinces of Tuyen Quang, Bac Thai, Lai Chau, and Quang Ninh have caused serious flooding. It is estimated that over 100,000 hectares of crops were destroyed

Forum Reviews Public Security Activities

952E0091A Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 23 Jun 95 p 2

[Article by T.B.L. and V.D.]

[FBIS Translated Text] General Department 1 of the Ministry of Interior recently held a conference in Minh

Hai Province to discuss the struggle against counterrevolutionary activities and the struggle to maintain the security of the fatherland through a struggle movement known as Plan CM 12. This is one of the activities leading to the 50th anniversary of the founding of the People's Public Security sector (1945-1995).

Since the country was reunified, this is the largest case ever with respect to enemy plots to destroy national security, the methods and stratagems, the scope of operations, and those involved. At the same time, the results of the struggle are an all-round victory in terms of maintaining political security, mobilizing the masses, and carrying out the tasks of the public security sector.

On 11 January 1981, at a time when the people of the entire country were striving to revive the economy and rebuild the country after decades of foreign aggression and destructive warfare in order to gradually build a prosperous, strong, and civilized Vietnam, a group of 23 armed spies and commandos secretly crossed the border into An Giang Province in order to destroy national security and disrupt the peaceful lives of the people. This raid by this group of commandos was the result of years of careful preparation by counterrevolutionaries Le Quoc Tuy and Mai Van Hanh, who coordinated things with other enemy forces abroad. That was the first of their destructive and insane activities inside the country.

With the help of intelligence organizations and international reactionary forces, by 9 September 1984, they had organized 17 penetrations into Vietnam, entering mainly from sea along the coast of Minh Hai Province. Using this route, they infiltrated hundreds of spies and commandos, including leaders such as Le Quoc Tuy and Mai Van Hanh, and brought in hundreds of tons of weapons and equipment into Vietnam.

Inside the country, they made contact with remnants of the military forces of the old regime who still opposed the revolution, with reactionary elements of the Cao Dai, Hoa Hao, and Buddhist religions, and with other dissatisfied elements. They gave them spiritual encouragement, supplied the with materials, and made them members of an organization called "The Unified Front of Patriotic Forces for the Liberation of Vietnam" in order to carry out their plot of toppling the revolutionary regime. Their sphere of operations included Minh Hai, Ho Chi Minh City, and a number of other provinces. They were ordered to carry on various activities, including blowing up material bases, shooting ordinary citizens, and assassinating cadres and others.

Their plots, methods, and stratagems were very insidious, meticulous, and savage. The consequences to the revolution and people would have been immeasurable. But with a love of peace and a spirit of vigilance, the people's public security forces and the revolutionary masses promptly discovered and skillfully blocked their counterrevolutionary activities.

After more than three years of struggle, by the conclusion of Plan CM 12, we had captured the leaders of this traitorous group and 143 spies and commandos who had been trained abroad and seized their weapons and equipment. We had also killed dozens of others and discovered nine other reactionary organizations in the country. And we had maintained political security and prevented them from causing any destruction even though they were bent on wreaking havoc.

During the period 14-18 December 1984, at their trial in Ho Chi Minh City, the leaders and spies were sentenced to death. Some of the others, depending on the nature of their crime, are still in prison, thinking about their counterrevolutionary activities and trying to reform themselves. The state and people showed leniency to many others who were led astray by these traitors but who promptly repented and voluntarily scored achievements to atone for their mistakes.

As for the people's security forces and other armed forces that participated in implementing Plan CM 12, this is not only a great victory and good mark in the history of the sector but also a valuable lesson concerning many aspects of the work. In particular, this is a lesson concerning cleverness and heroism, clear-sighted decisions in struggle situations, and synchronized coordination between the forces in the sector under the unified command of the Special Case Section and the direct guidance of former Minister Pham Hung. This is also a lesson on mobilizing the masses to participate in the struggle against counterrevolutionary activities and in the struggle to maintain political security and social order in every situation.

Parliamentary Delegation Visits Laos

BK2608155595 Hanoi VNA in English
1454 GMT 26 Aug 95

[FBIS Transcribed Text] Hanoi VNA Aug. 26 — A delegation of the National Assembly Office headed by its Vice Director Tran Quoc Thuan, which is now in Laos for a working visit, was received yesterday by Vice Chairman of the Lao National Congress Khambou Sounisai.

Earlier, the Vietnamese delegation had working session with a delegation of the Lao National Congress Office, during which the two sides compared notes on law execution in each country, and expressed their wish to promote their bilateral cooperative ties in the future.

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